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West Europe Report

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16 MAY 1986

WEST EUROPE REPORT

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POLITICAL

DENMARK

SDP'S JENS MAIGARD WEIGHS SECURITY POLICY TIES TO LEFT

NATO Nuclear Policy Attacked

Copenhagen BERLINGSKE TIDENDE in Danish 4 Apr 86 p 10

[Op Ed Article by Jens Maigard, SDP Folketing candidate: "Social Democrats Face Two Choices"]

[Text] On 24 March BERLINGSKE TIDENDE published an interesting editorial. It concerned the long-term aspects of security policy development. The editorial was based on the activities that are carried out at the Center for Peace and Conflict Research at Copenhagen University and the ideas it has presented on what is known as a defensive defense (or more accurately a defense of attrition).

With respect to these ideas the editorial says that they "seem to represent the mean that lies between the left wing's hostility to NATO and the wavering faith of the Social Democrats. An alternative is slowly being formed to Denmark's current defense policy....If this is the case, the Danish defense debate will change decisively."

That is well put.

So what does BERLINGSKE TIDENDE have to say about its accurate observation? Nothing! On 24 March the BERLINGSKE editorial writer had no opinion. He stuck to analysis. He was silent on this point. And in this section the BERLINGSKE editorial writer presents a mirror image of the pro-defense group in nonsocialist Denmark.

The pro-defense group in nonsocialist Denmark happens to be conservative on security policy issues in the most fundamental sense of the word. Security policy is based on three slogans:

1. Everything should remain the same.
2. Everything they do in Brussels is right.
3. NATO membership and the solidarity of this alliance are incompatible with independent thinking.

A basic position of this kind presents problems in a world of change, especially in a country where the Social Democrats and the two big nonsocialist parties have traditionally been responsible for security policy.

The Social Democrats for their part have taken the consequences of the nuclear arms race and the Social Democratic viewpoint today can be summarized as follows:

A. The Social Democrats support NATO, the concept of an integrated defense and the reinforcement agreements.

B. The Social Democrats have lived up to their obligation to finance security policy through a number of defense compromises.

C. The Social Democrats are very disturbed by the situation that has been produced by the arms buildup, especially in the nuclear area.

That is why the program calls for Denmark to be free of nuclear weapons "in peacetime, in wartime and during periods of crisis." That is why we are working for a Nordic nuclear-free zone. That is why NATO's nuclear strategy is being weighed.

D. Denmark needs its allies. And our allies have a right to some consideration. Otherwise we won't have any allies. But solidarity with an alliance should not lead to depriving ourselves of the right to think independently and speak freely. Of course we should not make thoughtless speeches on every street corner. But every member of a democratic alliance has a right to carry out intelligent actions against a nuclear policy that is wrong and dangerous.

Therefore it is important to start a dialogue on nuclear weapons and nuclear strategy, especially among the Social Democrats, the Liberals and the Conservatives. But it has been impossible to get a response from the pro-defense segment of nonsocialist Denmark. When we have said that NATO's nuclear strategy is so full of inner contradictions that it is not operational, there has been no reply. When we submitted that 80 percent of the nuclear weapons have no military significance because the other 20 percent are sufficient, they have remained silent. When we pointed out that it is indefensible for Europeans to allow the military side of security to depend on weapons we do not control ourselves, they have at best started talking about something else. When we have questioned the wisdom of a nuclear arms race that is steadily escalating it has been impossible to get any response from the pro-defense segment of nonsocialist Denmark. When we have proposed that the same degree of military security be achieved with non-nuclear means nonsocialist Denmark has ignored us. And so forth and so on.

I have tried in all modesty to help establish a dialogue, but I personally reached the following conclusion after a seminar held at the end of 1985 by teachers at the Home Guard College and the Conservative Party's security policy committee: It seems impossible to bridge the gap between us and the pro-defense segment of nonsocialist Denmark. There is no hope in this

direction. They are not interested in compromise. The conservatives would rather stick to tradition even if it means destroying everything. And we might as well leave them to it.

This lends interest to the Social Democrats' other possibility, the one on the left. We should not exaggerate the development in the area of security policy that is taking place on the left. But it is a fact that the left wing is moving away from the traditional Horupian antimilitarism and toward views that are marked by an understanding of the military aspects of security policy. In the defensive military strategy of attrition that is now being considered and evaluated, the Home Guard is regarded as a natural element, for example. In the past Home Guard people were called "weekend murderers." We are talking about a shift here. And it is also a fact that the new orientation in the left wing is backed up by a great deal of objective interest. The left wing is doing some thinking, at any rate.

Let us see how this develops, as they gradually mature. Perhaps this will give the Social Democrats a new parliamentary opportunity to implement their nuclear policy. It is interesting that the Radical Liberals are closer to the Social Democrats on security policy than they are to the four-party non-socialist coalition. And it is encouraging that a majority of the people seem to agree with the basic Social Democratic position, which can be summed up as support for NATO and rejection of nuclear weapons.

Time is running out. Let that be said with all due respect to many friends in the pro-defense segment of nonsocialist Denmark. But let us also remember Cassandra, the Trojan princess, who as a result of her rejection of Apollo was given the gift of prophesy along with the curse that no one believed her predictions.

Paper Critiques Proposals

Copenhagen BERLINGSKE TIDENDE in Danish 4 Apr 86 p 10

[Editorial: "A Safer Harbor"]

[Text] There is good reason to heed Social Democratic Folketing candidate Jens Maigard, for he has always been a keen observer and analyst of the political scene. If we heed him we can also esteem him because he not only left the Socialist People's Party physically but also moved spiritually into the Social Democratic camp. That is where he stands now and that is the basis of his perspective.

Maigard has taken exception to the fact that BERLINGSKE TIDENDE noted a defense policy shift on the left wing, diagnosed it but did not prescribe any medicine for it. At least not the kind of medicine Maigard would like--a recommendation that the nonsocialist parties try to accommodate the shift by setting themselves in motion. That is Maigard's problem, as it will always be the problem of impatient people in relation to those who are more patient.

But we ought to pay attention to what he says in today's article anyway. He raises two major problems. One concerns the point he is trying to make: that nonsocialist politicians--and newspapers--are inflexible on defense policy. The other problem emerges, perhaps unintentionally, as his overall theme: that the Social Democrats have almost unlimited flexibility. They have pursued defense policy with the Liberals and the Conservatives for decades. That is what he means by saying that the "Social Democrats have lived up to their obligation to finance security policy through a number of defense compromises." But he adds that the party is now looking at the "maturation" taking place on the left wing because it could give the Social Democrats a new parliamentary opportunity to implement their nuclear policy. In other words, if the Social Democrats are unable to get their own way with the help of the nonsocialists, the party is prepared to turn to the left in an effort to get support for its defense policy.

What Jens Maigard does not seem to realize is that there is a connection between the--admitted--unwillingness to discuss defense policy with the Social Democrats and the new mobility of the Social Democratic Party. Whether intentionally or otherwise the Social Democrats have locked their former partners into their positions because on so many occasions the Social Democrats have displayed or even flaunted their own mobility. That is the irresponsible aspect of the defense policy discussion in recent years. The fact that leading Social Democrats have used defense policy time after time as an ordinary handgun, selected more or less at random from the party's plentiful arsenal of weapons and used in everyday political skirmishes, goes a long way toward explaining why the nonsocialist parties have become more rigid in their positions. The latest example is the Social Democratic demand for an official Danish protest against American nuclear testing, despite the fact that the party knows that an official protest is a very sharp diplomatic weapon and that Denmark would be the only country in the entire western world to resort to such a step.

The defense policy standstill is an unfortunate situation for both sides. If Maigard's diagnosis is correct, the Social Democrats do not have to fear what the nonsocialist parties might come up with. They are unlikely to come up with anything. But the nonsocialist parties have good reason to fear the Social Democrats. They could come up with almost anything.

In a situation of this kind it is a good idea to seek an opportunity to talk things over. That was the background for the appointment of the so-called Ostergaard committee. But it is a widespread feeling in nonsocialist circles that the Social Democratic negotiators are deliberately trying to keep many other routes open in addition to the one leading to a renewed understanding between the government parties and the Social Democrats. This is not just an impression. It is a feeling that can be documented.

Even so it is freely conceded that the most important renewal in the Danish defense and security policy debate will occur if the former cooperating partners in this area enter into a serious discussion, not in order to stick to rigid positions or to achieve totally irresponsible mobility, but in order to join forces to move Danish security policy away from the choppy sea in which it has drifted since 1982 and into a somewhat safer harbor.

POLITICAL

DENMARK

SOCIALIST PEOPLE'S PEACE ACTIVISTS BACK NATO MEMBERSHIP

Copenhagen BERLINGSKE TIDENDE in Danish 11 Apr 86 p 9

[Article by Thorkild Dahl; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Folketing member Margrete Auken and Socialist People's Party [SF] activists in the peace movement want to retain NATO membership because they believe that international detente efforts have the best conditions inside the superpower blocs.

Danish NATO membership should be part of SF's policy. A Danish withdrawal would be regarded as a sign of increased tension and a point to the Soviet Union and it would undermine arms control efforts.

Margrete Auken, SF Folketing member, said this to BERLINGSKE TIDENDE. Along with a number of regular party members she is proposing a break with SF's stand on NATO membership when SF holds its national congress 2 weeks from now.

But as the congress approaches, SF leader Gert Petersen maintains that it is "SF's policy that Denmark would be in a better position as a nonaligned country than it is as a NATO member. But the question is irrelevant as long as a majority of the people support NATO membership."

The proposal for a new SF stand on NATO membership comes as what Margrete Auken calls a "clarification of Gert Petersen's congressional proposal that perhaps Denmark should have a military defense."

The main points in the proposal that SF now support NATO membership are that a Danish withdrawal would send a shock wave through Europe, that NATO is and will remain the basis for Denmark's security and that a Danish withdrawal from NATO would create a military vacuum.

Peace activists are among those backing the proposal and Margrete Auken said that she fears that things will tighten up in West Germany and Norway, among other lands, if Denmark leaves NATO and that would harm the peace movement.

"It is primarily in the blocs that a discussion on relaxing tensions can occur and have some chance of success. This is where we can make the most constructive contribution to disarmament," said Margrete Auken.

POLITICAL

DENMARK

FORMATION OF OSTERGAARD PANEL UNLEASHING NEW DEFENSE DEBATE

Copenhagen BERLINGSKE AFTEN in Danish 11-17 Apr 86 pp 1, 2

[Commentary by Solveig Rodsgaard: "Decisive Struggle over Denmark's Security Policy"; first paragraph is BERLINGSKE AFTEN introduction]

[Text] In the months ahead one last attempt will be made to restore broad cooperation on Denmark's foreign and security policy between the Social Democrats and the government. The work of Folketing's special Security Policy Committee is entering a decisive phase.

While a new security policy confrontation is expected in a couple of weeks between the government and the Social Democrats over resumption of American nuclear testing, the front lines are also being drawn up in Folketing's special Security Policy Committee which will attempt to restore broad cooperation on security policy.

Thus it is doubtful that the government parties and the Social Democrats can arrive at a compromise that would enable them to march in step on foreign and security policy issues in place of the footnote policy in which a Folketing majority that excludes the government dictates Denmark's foreign and security policy.

The special Security Policy Committee--known as the Ostergaard committee after its chairman, Conservative group chairman Knud Ostergaard--has just issued its agenda for the last part of the committee's work, with a report scheduled for 1 December. But Social Democratic chairman Anker Jorgensen is not optimistic about the future committee work and Knud Ostergaard says that the Social Democrats must now decide what is more important--consideration for Denmark's security or the presentation of the Social Democrats' own political line.

The main task of the Ostergaard committee is to discuss the so-called Dyvig report on Denmark's security policy situation and to seek on this basis a common denominator for foreign and security policy, and the committee has held 17 meetings since January 1985. Now the final series of meetings has been scheduled and the next meeting will be held on 16 April. On the last 3 days of April the committee will visit NATO headquarters in Brussels and two meetings have been scheduled in May. Following Folketing's summer

recess seven meetings are planned with the final meeting scheduled for 26 November, when a report will be written on the committee's work.

There have been some problems connected with the committee's previous work. Among other things there was a break in activity from March to September last year at the request of the Social Democrats after the conflict between the government parties and the alternative security policy majority concerning the American space defense program, the so-called Star Wars program.

Anker Jorgensen

Anker Jorgensen gave us this assessment of the committee's work:

"I think the members of the committee have been talking at cross purposes. No real effort has been made to find out what we are supposed to do specifically. This is not a criticism of the chairman, it is something we must all share the blame for. I have said that we committee members should stop thinking that we can solve all the world's problems. Instead we should take up some specific issues and decide where we agree and where we disagree. I have suggested four important areas: a nuclear test ban, the introduction of a moratorium, a ban on pre-emptive nuclear strikes and a Nordic nuclear-free zone.

"The Social Democrats have drawn up a list of the topics we want to discuss, which could have been a good working tool, but I have the feeling that there is not enough determination to reach a conclusion. However I will not entirely rule out the possibility that my negative evaluation will be disproved in the months ahead because our comments and criticism did lead to the establishment of a meeting schedule and I hope that a preliminary report will be issued before the summer recess.

"Do I think we can accomplish this? Things will not get any better just because we wait 5 or 10 months. With respect to a Nordic nuclear-free zone we might well agree to continue working on it by appointing a parliamentary commission, as recommended by Nordic Social Democrats. Whether one supports or opposes the idea it is important to study the issue."

Social Democratic security policy spokesman Lasse Budtz recently stated in an article in INFORMATION on the Social Democrats' security policy position and their relationship to the Socialist People's Party [SF] that "no government that succeeds Schluter's and includes the Social Democrats will be able to get away with pursuing the so-called old policy. And it is quite obvious that this is not what the Danish voters want either."

Anker Jorgensen agrees with Lasse Budtz: "There is no doubt that there are some concrete things on which we disagree with the nonsocialist parties and on which a consensus is impossible. This is true of such things as the development of nuclear weapons and perhaps the question of chemical weapons too. But we should be able to reach agreement in other areas. For example, as I said, the question of a Nordic nuclear-free zone."

Knud Ostergaard

Knud Ostergaard said of the committee's future work: "Anker Jorgensen plays a central role. In my opinion the important thing will be the decisions he arrives at himself. After all this actually concerns the Social Democrats' position on security policy. No one imagines that we could accommodate the wishes of SF and the Left-Socialists [VS] on security policy. For us the main thing is that we have cooperated with the Social Democrats for so many years and therefore the work of the committee is a test of whether the broad cooperation on security policy really has to be abandoned. I hope this will not be the case. Once in a while during one's lifetime one must distinguish between consideration for one's party and consideration for the nation and its security. I myself did so, for example, when many Conservatives went against their convictions and voted for cuts in the defense budget totaling 130 million kroner at the time of the Liberal-Conservative-Radical government. It was a question of deciding what was most important.

"Now the Social Democrats must decide. What is most important--the nation, security, cooperation or an entirely Social Democratic policy? That is what must be decided in the future."

Committee

The Dyvig report, which led to the appointment of the Ostergaard committee, was prepared by a group of government officials under the chairmanship of then Foreign Ministry Undersecretary Peter Dyvig. The report on "Denmark's Security Policy Situation in the 1980's" was released on 29 November 1984. The background for setting up that committee involved a proposal from Social Democratic political spokesman Svend Auken for a thorough analysis of the question. The Ostergaard committee was set up after a security policy debate in Folketing on 7 December 1984 in a Social Democratic resolution which the government did not vote for because it also included a reference to the resolution of 3 May 1984.

Members of the committee in addition to Knud Ostergaard are Conservatives Grethe Fenger Moller, Karen Thuroe Hansen and Eva Moller, Liberals Bjorn Elmquist and Ivar Hansen, Center-Democrat Frode Nor Christensen, Christian People's Party representative Flemming Kofod-Svendsen, Social Democrats Lasse Budtz, Svend Auken, Anker Jorgensen, Jens Risgaard Knudsen and Kjeld Olesen, SF representatives Gert Petersen and Pelle Voigt and Radical Liberal Arne Stinus.

The agenda for committee meetings in the current Folketing session has been based by and large on the Social Democrats' list of subjects they wanted to clarify: 1. Introduction of a moratorium--a deployment halt that could pave the way for "de-escalation" and the establishment of a "ceiling" on nuclear weapons. 2. A freeze on nuclear weapon stockpiles. 3. A ban on nuclear testing. 4. A Nordic nuclear-free zone and other zone plans. 5. A ban on weapons in outer space. 6. An international agreement to ban first strikes. 7. An international ban on the production, storage and use of chemical weapons and bacteriological weapons. 8. Expansion of measures

- aimed at creating trust. 9. A balanced reduction of conventional weapons.
10. Examination of the possibilities of setting up a non-aggression pact.
11. An analysis of Europe's chances of assuming a more influential role.
12. Supervision of international arms deals.

Related problems mentioned by the Social Democrats included the following:

- A. The position of French and British nuclear weapons in future agreements.
- B. The superpowers' deployment of nuclear weapons outside an INF arrangement--for example in the vicinity of the Nordic region.
- C. The consequences a hypothetical "Star Wars defense" would have for the defense of Europe.
- D. The opportunity of NATO countries to obtain information during future negotiations between the superpowers, including the right to hold hearings.
- E. An analysis of NATO strategy.

In addition to "normal" committee meetings and the upcoming visit to NATO, the Ostergaard committee has also met with NATO's Secretary General, Lord Carrington, in February 1985 and the defense chief (at the time this post was held by General K. O. Lind) in October 1985.

Nuclear-Free Zone

One of the Ostergaard committee's most sensitive issues has just turned up again in the current debate. Last week the security policy majority that does not include the government parties asked Foreign Minister Uffe Ellemann-Jensen to continue to work on the subject of a Nordic nuclear-free zone.

"In light of Folketing's conviction that bringing nuclear weapons onto Danish territory will always require the approval of Folketing, the government is requested to propose the establishment of a joint official Nordic committee at the next meeting of the Nordic foreign ministers for the purpose of investigating the possibilities of and submitting proposals for a Nordic nuclear-free zone," the resolution stated.

The foreign minister carried out these instructions at the meeting of Nordic foreign ministers in Stockholm on Wednesday, but as expected nothing came of the move. Norwegian Foreign Minister Sverre Strøm rejected the Danish proposal, saying among other things that neither the Norwegian government nor Storting had yet had an opportunity to discuss the so-called Colding report, a report on security policy. Sweden and Finland favored a Nordic nuclear-free zone, but the matter cannot be forced through due to the different security policy affiliations of the Nordic countries.

Incidentally, Anker Jørgensen sent a proposal to the chairmen of the parliamentary groups in all the Nordic parliaments calling for the establishment of a 25-member joint Nordic parliamentary committee to analyze the possibilities of setting up a nuclear-free zone.

New Showdown

But less than 2 weeks from now, on 24 April, there will be another security policy showdown in Folketing based on a question from SF and VS: "What efforts has the government made--in compliance with the resolution of 3 May 1984--to promote an international ban on nuclear testing and what steps will the government take to persuade the United States to follow the temporary Soviet test halt?"

The Social Democrats have strongly condemned the American tests and have demanded, like SF and VS, that Denmark be the only West European country to protest the tests to the United States. However the government is very dubious about such a solo Danish protest and thus there will be a lot of political soundings in the days ahead in an attempt to protect the government from another security policy defeat in Folketing. The Social Democrats hope to get the support of the Radical Liberals for a resolution calling for a sharp protest to the United States while the government parties will try to win Radical support for a resolution that objects to nuclear tests in general.

6578

CSO: 3613/103

POLITICAL

DENMARK

DEPUTY CHAIRMAN BID BY COMMUNIST STIRS NURSES UNION UPROAR

Central Committee Member Running

Copenhagen BERLINGSKE TIDENDE in Danish 9 Apr 86 p 1

[Article by Karin Kaas: "Danish CP Wants Power in Nursing Association"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The candidacy of a leading communist for the deputy chairmanship of the Danish Nursing Council created an uproar in the union and was described as a deliberate communist strategy to dominate the health sector.

The candidacy of a communist for the deputy chairmanship of the Danish Nursing Council (DSR) led to a violent uproar in nursing circles. Several high-level DSR sources told BERLINGSKE TIDENDE that there is a deliberate communist strategy behind the candidacy and behind the fact that a great many communists or communist sympathizers joined the nursing leadership in the last county committee elections (February 1986).

The deliberate strategy goes back to the Danish CP congress of 1980 where it was resolved that the communists--who had just lost their representation in Folketing--would try to gain influence in the public sector, especially in the sensitive health sector.

Lone Hansen of the Sonderjylland County group--who has been a member of the DSR executive committee for 10 years--sent out a letter yesterday in which she said it would be "fantastic if nurses silently and passively accept the situation that communists now feel strong enough to penetrate the Danish Nursing Council." She strongly rejected the idea of having a communist as deputy chairman and said among other things that "unless the members wake up now, the Danish Nursing Council will become a tool of the Danish Communist Party."

The background for the charges of silence and passivity is the fact that the voter turnout for the county committee elections was as low as 39.2 percent--and it is felt that this was the main reason for the many victories for Danish CP members.

The candidate for the deputy chairmanship--Inger Rasmussen--is a member of the Danish CP's central committee and a former senior shop steward at Rigshospitalet. She is now working full-time as deputy chairman of the Copenhagen district where her party colleague, Anna Guttesen, is chairman.

According to BERLINGSKE TIDENDE's sources the communists control 55-60 of the 150-member congress. In other words they must convince 30-40 "wavering" members in order to secure Inger Rasmussen's election as deputy chairman at the congress to be held from 13 to 16 May. If they succeed the communists are expected to make an effort 2 years from now to oust DSR's present chairman, Kirsten Stallknecht, and take over the post themselves.

Health Sector Communist Bastion

Copenhagen BERLINGSKE TIDENDE in Danish 9 Apr 86 Sec III p 3

[Article by Karin Kaas: "Danish CP Entrenched in Health Sector"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Communists occupy leading posts in many segments of the health sector today. The Danish Nursing Council could be the next big step if 30-40 "wavering" members of the congress can be persuaded to vote for the communist deputy chairman candidate.

Ever since the Danish Communist Party lost its representation in Folketing it has placed great emphasis on the health sector--especially the unions that are dominated by women. Thus communist chairmen preside over elementary and middle school teachers, teachers' assistants, midwives, hospital laboratory workers and social science teachers and the occupational therapists have a communist deputy chairman. Now the communists are making a bid for the deputy chairmanship of the nursing association.

Communist Lisbeth Uhd is chairman of the nurses in Arhus County which is called the bastion of the communists by high-level sources in the Danish Nursing Council (DSR). According to these sources all the employees in the county office--union workers and secretaries--are handpicked members of the Danish CP. It was also from Arhus that the very active Lene Kjaer Jensen came to the Vejle district shortly before last winter's district committee election--which she won. BERLINGSKE TIDENDE has been told that she has already created such an uproar among the members there that they are seriously considering holding an extraordinary general meeting for the purpose of getting rid of her.

None of BERLINGSKE TIDENDE's DSR sources wanted to identify them by name when they voiced their feeling that the Danish CP is simply "planting" communists here and there--preferably before an election. But there are several examples. A "communist sympathizer" has just been elected in Funen after working in the area for only 6 weeks. The male nurse had moved from the Copenhagen area to a small nursing home near Faaborg.

Other communist strategies allegedly include extending general meetings until late at night--when only active Danish CP people are left--repetitive demands from one district to another to include a 35-hour work week in contract negotiations, proposals that nurses endorse peace and nuclear-free zones, etc. All things that would keep nurses who feel that union work has something to do with nursing conditions from running for union posts.

Paper on Communists' Strategy

Copenhagen BERLINGSKE TIDENDE in Danish 10 Apr 86 p 14

[Editorial: "Reds in White"]

[Text] Nursing in Denmark is in the hands of a very professional group of people. Nurses go through a long and thorough training that is as good as it is anywhere in the world. The Danish Nursing Council has kept up with the times, offering in-service training and creating a framework to ease the re-entry into the work force of the many nurses who have left the profession but want to return to active service. This deliberate organizational activity has produced a number of commendable results.

But in the midst of this white-clad idyll a red tinge is seeping to the surface. The Danish Communist Party is finished as a parliamentary movement. But that has not prevented a continued high level of party activity in the unions. The party has decided to place special emphasis on the social, health and media sectors. This is where the party is sending in its trained troops to grasp the power the voters have refused to grant it. The strategy has been a success. Some great victories have been won in the organizations that cover these sectors. Now it is the turn of the Danish Nursing Council.

The recipe for success is not as secret as the maneuvers that lead up to it. The main ingredients are endurance and good preparation combined with strong determination. These are qualities that can carry people a long way--all the way to the coveted center of power. And once that is attained, everything else falls into place. There is a purge of secretaries and union officials. It takes less to keep power than it does to acquire it.

Most organizations are in a weak position when confronted with a deliberate effort to seize power. When the power struggle is not just a matter of choosing between different positions and viewpoints, but turns into a war of attrition, it is the strong in faith who win out. The communists have a reputation for having everything in order. They have their own strategy in order and they keep an eye on what is going on at both the top and the bottom of the system. They invest the effort that is needed to achieve their goals.

The communists often make charges of witch hunts and communist fear campaigns if other groups mount a counterattack. The strategy is to play down the political signals before the power takeover in order to make them stand

out even more once power has been won. We will undoubtedly be hearing this kind of thing from communists in the Danish Nursing Council in the future. But the nurses who are not overjoyed at the prospect of coming under communist leadership would do well to ignore this refrain. The white caps could quickly become so red that it will no longer be possible to get the uniforms clean again. The many who are content to stand aside and wash their hands of the matter must bear the responsibility if the Danish CP achieves another of its selected goals.

Union Chairman Disassociates Self

Copenhagen BERLINGSKE TIDENDE in Danish 10 Apr 86 Sec III p 3

[Article by Karin Kaas; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The chairman of the Danish Nursing Council clearly disassociated herself from the idea of allowing union leaders to speak on behalf of members in a partisan political context. At the same time she urged members to attend general meetings and other meetings where decisions are made.

"It is correct that a member of the Danish CP is running for the deputy chairmanship and that communists are trying to impress their line on the Danish Nursing Council (DSR). But I do not know if they are about to seize power in DSR."

This statement was made by DSR chairman Kirsten Stallknecht in a comment on a BERLINGSKE TIDENDE article yesterday which stated that communists are now trying to gain control over the union. Partly by nominating a member of the central committee for the deputy chairmanship and partly as a result of their great success in placing communists or communist sympathizers on a number of DSR county committees.

Kirsten Stallknecht did not want to comment further on the alleged communist penetration of the otherwise nonpartisan union. But in the issue of the periodical SYGEPLEJERSKEN that will come out on 19 April, Kirsten Stallknecht makes it clear that under no circumstances will DSR permit union officials to use the union for political purposes. Kirsten Stallknecht states in a reply to a dissatisfied member that DSR is neutral on partisan issues and will continue to be so.

Dorthe Aagaard, head nurse at the X-ray diagnostic division of Arhus Municipal Hospital, objects strongly in an article in the publication to the fact that the chairman of the Arhus nurses, Lisbeth Uhd, appeared in an advertisement opposing the EC package with the signature, "Lisbeth Uhd, Arhus County Nurses."

In her article Dorthe Aagaard asks if the Danish Nursing Council approves of county chairmen speaking on behalf of the members on political matters without consulting them. And she asks what DSR will do to ensure that similar abuses of power do not occur in the future.

Kirsten Stallknecht's reply makes it clear that DSR is politically independent and that neither the chairman nor any county chairman can speak for members on partisan issues.

Kirsten Stallknecht indicated that this is not the first time there have been complaints about Lisbeth Uhd's political activities as county chairman (Lisbeth Uhd is a member of the Danish CP). There were complaints about her activities in connection with the Union Officials' Circle, where she acted in her capacity as county chairman. This activity led to a reprimand for acting contrary to DSR's bylaws, a step that was approved by a large majority of the DSR executive committee (17 to 4).

Members Passive

At the same time Kirsten Stallknecht says that Lisbeth Uhd may have felt justified in rejecting the EC package on behalf of Arhus County nurses. She points out that 232 members attending the general meeting approved a statement urging DSR members and other eligible Danish voters to vote against the package. The organization has 7.717 members in the county.

"Against this background I would advise you and others who feel that their membership in the Danish Nursing Council and their expectations from the organization are being abused to make use of your membership rights," Kirsten Stallknecht writes in her reply.

Finally she urges members to attend open county committee meetings where the agenda for the next congress will be discussed "so that the views of the large number of 'silent' members will also be presented." The Danish Nursing Council's congress, where communist Inger Rasmussen will run for the office of deputy chairman, will be held from 13 to 16 May.

CP Candidate Defends Role

Copenhagen BERLINGSKE TIDENDE in Danish 11 Apr 86 Sec III p 3

[Article by 'Berit': "Coups Attempt or Union Dispute"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] While the main figure behind the political uproar in the Danish Nursing Council, Sonderjylland County chairman Lone Hansen, continues to accuse Danish CP members of a coup attempt, the Danish CP candidate for the deputy chairmanship, Inger Rasmussen, says the whole thing is an ordinary union dispute.

"It is important that we draw a sharp dividing line right now between party politics and union politics. Parties must be prevented from taking over unions and societies as was the case with BUPL and other organizations where almost all the leaders are members of the Danish CP. If we allow the same thing to happen in the Danish Nursing Council, noncommunist nurses will hesitate to join union associations, as they do in unions that are dominated by the Danish CP. And that would be very unfortunate."

These remarks were made by Lone Hansen, chairman of the Danish Nursing Council's Sonderjylland County branch, in connection with her motives for taking the lead in a violent attack on what she calls the communist coup attempt in DSR prior to the council's congress at the beginning of May. Running for one of the council's two deputy chairmanships is Inger Rasmussen, who has been deputy chairman of the Copenhagen County branch for 10 years. It is this candidacy that has led Lone Hansen to rush into print.

"I want to warn my colleagues and try to open their eyes to the communists' deliberate strategy with regard to taking over DSR," said Lone Hansen. In the days ahead she will assemble her experiences and concrete examples of the methods of Danish Communists and their direct attempts to mix party politics with union politics. As one example she mentioned the proposal from the Copenhagen Country group to DSR about revoking the general contract. The proposal was made by Inger Rasmussen.

"It is very important for a union to be politically independent, as DSR is. It is one of our strong points that we can oppose anything that goes against our interests no matter which government is responsible. And I also think it would strengthen the entire union movement if the Danish Organization of Trade Unions [LO] ended its very close association with the Social Democratic Party," emphasized Lone Hansen, who happens to be a Social Democrat herself.

Independence a Strong Point

Candidate Inger Rasmussen describes the uproar in DSR as "a tempest in a teacup." She is "quite surprised by the onesided focus on party affiliation" and denies that a deliberate strategy is involved.

"If it is deliberate it is news to me, at any rate. And the Danish CP's central committee has not passed any resolutions to 'grab hold of' the health sector," said Inger Rasmussen.

In her opinion the present dispute simply involves union politics and stems from different priorities in this area. For like Lone Hansen she sees no sense in a union backing the political program of any one party.

"Close associations between unions and parties are wrong. It is a clear strong point for DSR to be politically independent. And of course it should continue to be so," Inger Rasmussen said.

She said that her main purpose in seeking the deputy chairmanship is to safeguard the interests of nurses. And discussing such things as peace and arms control comes under this heading.

One of her disagreements with the priorities of the present DSR leadership involves the council's public profile. This is true in the union area with regard to wages and working conditions as well as in the area of health policy.

The chairman of the Arhus nurses, Lisbeth Uhd, said that the statement in BERLINGSKE TIDENDE that all five employees in the Arhus office are communists is inaccurate. Only one is a member of the Danish CP while the other four do not belong to any political party, according to Lisbeth Uhd.

Party Seeking Top Positions

Copenhagen BERLINGSKE TIDENDE in Danish 11 Apr 86 Sec III p 3

[Commentary by Thomas Larsen; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The Danish Communist Party is working deliberately to put people from its own ranks at the top of the Danish Nursing Council. The object is to carry out Danish CP policies. For members of the Danish CP factions always follow the party line. Otherwise they are called in for "friendly talks."

The battle between the Danish CP and the Danish Nursing Council reveals the Danish CP's deliberate effort to gain influence over a politically neutral organization.

Jesper Due, an expert on labor market conditions at Copenhagen University, is familiar with the Danish CP from the inside: "If it is the party line to work for peace or a 35-hour work week, one must also work for it in the organization. Otherwise one is called in for a 'friendly talk' where representatives from the party's central committee and the union secretariat explain the way things are.

"But most loyal communists see no conflict between party policy and the union organization. They are two sides of the same coin," said Jesper Due, who until a few years ago was a member of the Danish Communist Party himself. "The Danish CP imposes political views on a neutral organization that it is simply not prepared for," Jesper Due said to BERLINGSKE TIDENDE.

Party Bylaws

The party bylaws state that every member must work for Danish CP policies in the union movement. On the other hand there is not a word about how Danish CP factions in nursing organizations, for example, should work to implement the party's policy in the union movement. Each group is directly controlled by the union secretariat. This is a body that comes directly under the central committee. The union secretariat is responsible for the party's concrete union policy. The factions must follow this policy--even if it is contrary to the interests of the members.

"Therefore if a Danish CP faction acquires a majority in a union organization, it will control the organization's political line," said Jesper Due.

Danish CP member Poul Emanuel denied that the Danish CP is working to get into neutral organizations, especially in the public sector: "It is obvious that the party is interested in the public sector. But we only run for office in situations where fellow workers feel that our comrades are in a position to solve their problems.

"This is not a matter of party neutrality. It is a question of creating an organization that can be used for something," said Poul Emanuel. "We have no plans to take over the Danish Nursing Council."

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

BERLIN PAPER NOTES IMPLICATIONS OF STRICTER BORDER CONTROLS

Berlin DER TAGESSPIEGEL in German 13 Apr 86 p 1

[Editorial by J.B.: "The Allied Command"]

[Text] The three Western commanders in Berlin consulted for several days intensively about how the threat to the security of the Western sectors of Berlin, which became visible with the explosives assault of 5 April, presumably committed by foreign terrorists, can be countered without violating the concepts of the special legal status situation of Berlin in so doing. Since it was assumed that the terrorist perpetrators managed to reach West Berlin via East Berlin, the principle of the open border between East Berlin and the three Western sectors, which is open on our side, came into question.

This open border is based on the principle connected with the old four-power status of Berlin that anyone who is legally staying in one of the four sectors of Berlin has the right to freedom of movement in all sectors. There were and are restrictions on our side only with respect to the length of stay, particularly of foreign nationals. The Soviet Union and the GDR violated this four-power rule by erecting the wall and through other border facilities in Berlin in 1961. They interdicted the movement of German citizens from east to west completely at first and the entry of West Berliners and West German citizens to East Berlin was later made subject to visa requirements by the GDR. Freedom of movement was retained for members of the four powers and, as a rule, for diplomats of foreign missions stationed in Berlin.

In view of the severity of the violation against the four-power rule which was represented by erection of the wall, the Western side has always considered it important not to establish any strict controls at the sector borders. In other words, there is no Western border regime; in special cases, spot checks are made. Also, there are occasional customs controls against suspected tax evasion in imports of merchandise from East Berlin to West Berlin. The "open border" is, in other words, an important political demonstration of Western legal concepts. For this reason, it cannot be surprising that the head of the GDR Council of State, Honecker, in taking a position with respect to the terrorist action in Berlin, welcomed the possible introduction of border controls in Berlin by the Western side. He sees in this a retroactive legitimacy for the wall and the barbed wire which the GDR pulled straight across Berlin.

In view of the initial situation, it was only logical that the three Western powers would take up contacts with the Soviet Union and with the GDR, not only in Berlin, in order to remind them of their responsibility for preventing terrorist actions aimed against the three Western sectors. In this connection, explanations were provided, both by Soviet representatives as well as on the part of the GDR, which condemned such assaults and categorized them as constituting a danger to peace. As far as the Soviet Union is concerned, it feels that these declarations are also understood as a warning to friendly nations, such as Libya. Whether additional specific steps are involved must remain an open question for the present.

In any event, the Soviet declarations and those made by the GDR were unable to relieve the three Western commandants in Berlin from the necessity to take their own preventive measures, independent of the introduction of special protection and security measures in the three Western sectors. The right to take special measures on the basis of a special threat to security in Berlin is vested in each individual commandant for his sector and in the allied command for all of Berlin, even if such measures can only be implemented in West Berlin. It was clear from the very beginning that the three commandants were to agree on common steps within the allied command.

A great role during the negotiations by the allied command was clearly played by the question whether one should expel members of the Libyan Embassy in East Berlin and thus preempt their stay in West Berlin. The fact that the allied command has this right is beyond question. It had created a new precedent for this case a short while ago by declaring two members of the North Korean Embassy in East Berlin, who were transacting illegal weapons business in West Berlin, as being expelled. In the case of the Libyan Embassy in East Berlin and its members, some difficulty was clearly presented by the fact that the American Government is not in agreement with other Western governments as to whether the Libyan Embassy in East Berlin can be or should be held responsible for the terrorist assault on the basis of the material on hand and whether Libya would thus have to be cited as being principally responsible. Clearly there was resistance to giving the United States a handle for taking further steps, which continue to be disputed by the individual governments, by way of Berlin through taking action against Libyan diplomatic representative entity with the approval of three Western governments.

The reports which have meanwhile been published by the allied command, therefore, do not contain any special mention of Libyan personnel from East Berlin. The security authorities, however, were given the general right to arrest and expel suspicious individuals. It can be assumed that all Libyan personnel from East Berlin and persons connected with their movements in West Berlin are being monitored and controlled.

However, this presupposes stronger incursions into the movements across the sector borders between East and West Berlin. The practical volume of these incursions could be based on the existing suspected threat situation, with intelligence findings also playing a role alongside general police measures. Such controls will probably not be implemented at the border crossings, but rather behind the border crossings.

The statement by the allied command that the current measures are provisional in their character--in other words, the volume being variable and temporary--is important. This shows that a permanent and completely new border regime is not to be put in place here which would, in the final analysis, have legal status consequences.

The measures now taken by the allied command are not considered to be appropriate by everyone. Not every power represented in the allied command is absolutely satisfied with them. Existing consultations about these measures were lengthy and not simple. However, it turned out that in the case of measures to be taken in East Berlin it is not always possible to honor only one viewpoint, but rather that the general, legally frequently complicated and actually difficult situation of Berlin must be taken into account. While this is not a new experience, it must be repeatedly made. After all, pressure upon the "open border" with the goal of being able to better control it from the Western side has existed, on the part of the German side, in connection with the influx of undesirable foreigners through the Schoenefeld Airport. It nevertheless remains an important factor. A positive side effect is that the allied command has once more made a clear appearance as a government organ in Berlin.

5911

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POLITICAL

FINLAND

CONSERVATIVE, STALINIST PAPERS ON 'DEMOCRATIC ALTERNATIVE'

Conservative Daily on Founding

Helsinki UUSI SUOMI in Finnish 15 Apr 86 p 7

[Article by Olavi Jouslehto: "Minority Communists To Get Own Party Leadership: Splitting of Communists in Two Soon Complete"; first two paragraphs are bold-faced lead-in in original]

[Text] The internal struggle among Finnish communists will intensify 2 weeks from now when the minority communists attempt to name--alongside the official party leadership--a second party leadership chosen by "party organizations."

Afterwards, upon the recommendation of its Central Committee, the official SKP [Finnish Communist Party] intends to expel from the party all those party divisions which "have no membership books" and which are in Tampere to select a second communist leadership for Finland.

The Tampere meeting organized by minority communists will also choose a new central committee for the leadership of the SKP party organizations. All the choices will be restricted to minority communists.

The SKP's exchange of membership books will have no effect on the course of the meeting, because only the old membership books will be recognized at the Tampere meeting.

Not much emphasis is placed on needless formalities in the SKP minority's manner of proceeding. The minority members plan to continue their activity "within the SKP," even if the official SKP expels them.

Separately to Parliament

The SKP minority confirmed on Monday that if the SKDL [Finnish People's Democratic League] does not want minority members on its election slate, minority members who happen to be elected to the Parliament will form their own "democratic alternative" group in the Parliament.

"USSR's Policy Did Not Change"

The so-called Taisto Sinisalo wing hotly disputes that the Communist Party of the Soviet Union has examined and revised its attitude toward SKP squabbles and adopted a more favorable stance toward the SKP led by Arvo Aalto.

In the opinion of minority leaders, CPSU policy has not changed in the least, and the affiliation of SKDL parliamentary group chairman Veikko Saarto with the majority does not mean much of anything.

Nevertheless, Saarto's choice of direction may clarify the philosophical split in the parliamentary group where the minority, which has lost its self-confidence, intends to "present its views clearly and publicly" in the immediate future. On the group level, however, the minority will leave decisionmaking and possible settling of accounts to the care of the majority.

Expulsion by June

According to minority circles, the SKP's official leadership has already sent notice to local organizations that all divisions which participate in the Tampere meeting will be expelled in May.

Yet SKP Chairman Arvo Aalto does not admit he signed such a notice. Nor will the Central Committee discuss the matter in May, according to him. In June, on the other hand, membership in the official party will come up in the Central Committee via the membership-book question.

The Central Committee may also confirm in June that only those who have membership books provided by the Central Committee are members of the party. With this confirmation, the Central Committee will definitively expel the Sinisalo backers from membership in the SKP.

Even then, however, the minority will not accept its expulsion but plans to run its election campaign under the SKP banner.

The official SKP is left with two possibilities: legal action or acceptance of the minority's conduct. The party leadership intends to choose the latter, because legal action would be an endless wasteland and because it is believed that after the elections the minority will form its own party outside the SKP.

Stalinist Paper Reports Founding

Helsinki TIEDONANTAJA in Finnish 15 Apr 86 pp 12-13

[Article by Erkki Metsalampi: "New Election Organization Brings Together Opponents of Consensus"]

[Text] An organization called the Democratic Alternative, which will be registered as a political party before the end of this spring, was founded on Saturday at the Book House in Helsinki. Under the chairmanship of Jouko Kajanoja and Kotka resident Seppo Gronvall, the organization was founded by a good 100

representatives of various associations from all of the country's electoral districts.

The meeting was convened by the committee of SKP organizations which was formed from the eight district organizations expelled from the Communist Party and from the unity committees which operate in the party's nine district regions.

What it boils down to is merely an organization founded for the parliamentary elections. Its registration as a political party is implied by the election law. At a press conference held after the meeting, it was affirmed once again that the election organization is not a party parallel to the SKDL or to the Communist Party which is being broken up by Arvo Aalto.

The SKP's future will be discussed 2 weeks from now at a meeting to be held at Hervanta in Tampere. A thousand representatives of SKP basic divisions and of other party organizations are expected to attend.

The meeting in Helsinki was preceded by the establishment of analogous organizations in the electoral districts. Approved at Saturday's meeting were the organization's bylaws, the establishment declaration, and the document "Whose and What Kind of Electoral Alliance Is It, and Why?" and 100 members were chosen for the advisory board to manage the organization. The meeting was unanimous.

The advisory board elected an 11-member presidium whose president by seniority is Leo Suonpaa of Tampere. Other members of the presidium include composer Kaj Chydenius, former Communist Party chairman Jouko Kajanoja, and chief shop steward Asser Siuvatti.

Taisto Sinisalo, student Ilppo Kivivuori, and theatrical director Timo Bergholm were the first to take the floor at the meeting.

Consensus

The Democratic Alternative was founded because the current leadership of the Communist Party had decided to divide the SKDL's election slate in the parliamentary elections to be held in March of next year. Ten current SKDL parliamentary representatives do not figure on the election slate and, in addition, more than half the members of the SKP were deprived of the right to participate in the nomination of candidates.

"Political reasons, first and foremost, are in the background to the breakup of the election slate. The SKP has been taken over by those who support the consensus, and others are not wanted on the election slate," said Taisto Sinisalo.

According to Sinisalo, the task of the election organization is to bring together citizens and civic associations which oppose the current consensus.

"The vote by members of the Metalworkers' League on the new income contract tells something about the possibilities. While all the newspapers, including KANSAN UUTISET, reported that an 'insignificant minority' opposed the contract in the league's decisionmaking organs, 42 percent of those who voted agreed with this 'insignificant minority.'"

Opinion Polls

Seppo Timonen, who was chosen secretary of the election organization, commented on the figures of support for the organization which were presented as an opinion poll byproduct. There is talk of 60,000 votes.

"My interpretation of this is that these are persons who should be called our activists. They are the foundation for the election campaign movement which we are now starting to build."

The word consensus was also frequently used by other speakers. The opinion surveys indicate broad discontent with the consensus. Attempts are now being made to channel that discontent into parliamentary influence through the new election organization.

By consensus is meant the so-called policy of mutual understanding which the government as well as employer organizations and trade-union leaders have practiced. Mutual understanding reigns supreme in social and economic policy. One of its leading architects has been Max Jakobson, former chairman of the Commission for Commercial and Industrial Life.

Parliamentary representative Matti Kautto said the true meaning of consensus is revealed in the fact that while the million members of the SAK [Central Federation of Finnish Trade Unions] received altogether roughly 1.3 billion markkas in this year's income contract, last year the total profits, approximately 1.5 billion markkas, of just the two largest banks alone, the National Bank and the Union Bank, were greater.

Student Ilppo Kivivuori said that the success of the upcoming election campaign depends on whether people are permitted to take a stand on Finland's future, not just choose among parties which resemble each other.

Timo Bergholm described the current political situation by quoting from a 1978 document of the Cultural Workers' League: "There is falsehood in power and injustice in force."

Bergholm was certain that talented and progressive artists would want to be part of the Democratic Alternative. "Not as auxiliary troops but by promoting their own interests, because art and progress go together." Bergholm considered it natural that the Cultural Workers' League would join the election organization.

Foreign Policy

Concern about Finland's growing dependence on the West was expressed by those who took the floor and in documents approved at the meeting. The establishment declaration urges an increase in cooperation between Finland and the Soviet Union and a revival of the Finnish peace policy which rests on the YYA [Friendship, Cooperation, and Mutual Assistance] Treaty.

The document "Whose and What Kind of Electoral Alliance Is It, and Why?" states it has become clearer and clearer that the Eureka project and the European Space

Agency (ESA) are in danger of binding the European countries to the United States' Star Wars project.

The document suggests as a condition for Finland's participation in Eureka and the ESA that the projects be limited to those with purely peaceful goals and that they be opened to socialist countries and developing nations as well.

It is mentioned in the document that Finland undervalues technological and economic collaboration with the Soviet Union and other socialist countries.

Breadth

Everyone who took the floor at the meeting said that the election organization now being founded was open to all progressive forces who opposed the consensus.

"The Democratic Alternative invites communists and people's democrats, socialists and social democrats, Greens, progressive centrists and political independents... Action to achieve common goals does not presuppose a common worldview," mentions the document.

Lahja Kivinen, a representative of the Socialist Workers' Party (STP), said that the STP's party organs had made a decision in principle on the need for a broad election front. Later in the spring the STP will take a concrete stand on the Democratic Alternative. Lahja Kivinen believed it would be a positive stand.

In the standpoint adopted by its central administrative board, the Socialist Students' League (SOL) emphasizes the bringing together of leftwing forces and wants to prepare for the parliamentary elections on that basis. The SOL condemns the SKDL leadership's plan to break up the electoral alliance.

The goal is to start expanding the Democratic Alternative into other leftwing and progressive forces. The responsibility for this will be primarily that of the organizations set up in the electoral districts. This work has just begun, and the aim of the advisory board meeting to be held in the autumn is also to expand the leadership organs in the manner which the nomination of candidates in the electoral districts requires.

Discussion by Citizens

The signatures of 5,000 Finnish citizens must be gathered in order to enter a political party in the party register. The Democratic Alternative intends to collect those names in May.

A citizens' discussion of the draft of an election platform will also start in May. It will be approved at an advisory board meeting to be held in the autumn, in connection with which a national festival will be organized.

The nomination of candidates for the elections will take place in August and September, and members will vote for their candidates in October in those electoral districts where it is necessary.

Local organizations are not being established for the Democratic Alternative. The thrust of its work will be in organizations set up in the electoral districts. According to the model bylaws approved on Saturday, these organizations can be joined by registered associations, by associations which consist of several other associations or district organizations, and by private citizens.

Party Aid

At the founding meeting, absolute democracy in all activities of the organization was pledged. Changes in Finnish parliamentary practice were also urged.

There is a desire to change the current distribution of state-granted financial aid for parties in such a way that the aid goes to local organizations for voluntary work and alternative educational activity.

The Democratic Alternative also wants a law which obliges the Parliament to bring up for consideration any civic initiative signed by at least 5,000 citizens. Elected parliamentary representatives are furthermore urged to agree to listen to the opinions and the advice of those who elected them.

Official Establishment Declaration Released

Helsinki TIEDONANTAJA in Finnish 15 Apr 86 p 13

[Article: "Establishment Declaration"]

[Text] The most important task of our time is to assure permanent peace in the world. The danger of war must be eliminated, universal disarmament must be initiated, and a world free of nuclear weapons must be established by the year 2000. One of the first steps in this direction must be the creation of a nuclear-free zone in the Nordic countries.

Peaceful cooperation and termination of the arms race will make it possible to solve such global problems as famine, poverty, and environmental pollution.

Peaceful cooperation implies uniform international teamwork and rejection of the power of transnational enterprises and agencies to restrict national independence. From our country's standpoint, it is especially important to improve and broaden cooperation between Finland and the Soviet Union. A new international economic order which meets the needs of developing nations must also be created.

The protection of Finland's national interests presumes revival of the peace policy which rests on the YYA Treaty. Mankind's problems cannot be solved by withdrawal and apathy. Finland must recognize its responsibility for the future of the entire world.

New Direction for Finland

Peaceful and uniform international cooperation gives our country the opportunity to tackle such significant national tasks as the elimination of unemployment, the assurance of material and spiritual well-being, and satisfaction of the people's new needs.

The policy of big capital and state power has been directed against the people's interests. The result has been a strengthening in the position of banks and large enterprises, a revival of conservatism, a reduction of democracy, and the sacrifice of national interests. This is why Finland needs a new direction. As we approach a new millennium, major social problems can be solved only through action by the Finnish people to assert their interests and their right of self-determination.

Everyone must be assured a job, a decent income, and shorter working hours. The tax burden of the poor and the working class must be reduced, and housing costs must be lowered. The people's security and fundamental social rights must be guaranteed. The opportunities for working farmers to earn a living must be improved, and we must stop the countryside from turning into a wasteland.

We must encourage mass education, respect for democracy, and love of peace. We must support working-class art and culture as well as prevent the destruction of communal culture. We must safeguard our country's uniquely beautiful natural surroundings and prevent pollution of the environment.

Russophobia, the trend toward conservatism, fanning the flames of hostility and prejudice toward other peoples must be rejected as hazardous to democracy and injurious to Finland's national interests.

The people's democratic rights must be expanded. Fundamental rights which have been curtailed must be restored. The right of workers to be politically active at their workplaces must be guaranteed. The goal must be a democratic transition and a democratic surveillance which cover all levels and spheres of society.

Democratic Alternative

The policy practiced in our country in recent years has meant a reduction in opportunities for citizens to exert their influence. The parties' involvement with big business and state power, corruption, and shady financial deals has grown stronger. Bureaucracy and bossism have also increased in the labor movement. All this has given rise to growing dissatisfaction. We need new ways to exert influence. We need the Democratic Alternative.

The Democratic Alternative is a broad-based electoral front which brings together all the forces of peace, progress, and democracy to change our country's political direction. It is an alternative in both content and method. It is free from discrimination and overlordship. It is an alliance of organizations and persons of equal standing. It does not permit its leaders or parliamentary representatives to pursue their own interests but demands honesty and openness in all activity.

The Democratic Alternative brings together various strata of working people: laborers and functionaries, youths, students, and intellectuals, small-scale entrepreneurs and farmers, workers, retirees, the jobless.

The Democratic Alternative invites communists and people's democrats, socialists and social democrats, Greens, progressive centrists and political independents to work together--everyone who is honestly concerned about the Finnish nation. Action to achieve common goals does not presuppose a common worldview.

The Democratic Alternative offers all progressive mass organizations and civic movements uniform cooperation and the opportunity to participate.

In order to bring together working people and democratic forces for the election campaign against big capital and the Right, the Democratic Alternative offers the prospect for democratic development and a new kind of opportunity to exert influence and participate.

Democratic Alternative
founding meeting
12 April 1986

Action Forced on Group

Helsinki TIEDONANTAJA in Finnish 15 Apr 86 p 2

[Editorial: "There Is a Democratic Alternative"]

[Text] A national democratic election organization, the Democratic Alternative, has been founded. It will participate in the next parliamentary elections on an equal footing.

It was necessary to found the Democratic Alternative because the communists, people's democrats, and their collaborators who oppose big capital, the consensus, and Aalto's rightwing group have been excluded from the SKDL electoral alliance. For its part, the breakup of the SKDL electoral alliance is not an intrinsically "internal struggle" of the movement. It is an attempt to remove revolutionary and anticonsensus forces from the political picture. With the help of the democratic election organization, this attempt will be rebuffed.

It was not only necessary but also important to found the Democratic Alternative. Without it, in our country's political arena and in the upcoming elections there would be no independent alternative to bossism, plutocracy, and conservative tendencies.

The Democratic Alternative was founded as a different kind of electoral alliance, one whose activity is based on uniform cooperation and initiative taking, and not on bossism, discrimination, upper-echelon tricks, or shady financial deals, it is stated in the organization's declaration. It is open to all who want a new direction--who want to work for peace, democracy, and the Finnish people.

A democratic alternative is what this country, its working people, and stale politicking need, too. There is a "social requisition" for a democratic alternative. Such an alternative now exists. In the political arena and in the electoral setup, it means a breakthrough which has not occurred in over 4 decades. How the breakthrough appears in the elections will depend on hard work, clear political goals, and the practical execution of the new-type electoral front.

"A new party, a new party," repeat those who have demolished the character of the SKDL's cooperative organization and broken up the SKDL's electoral alliance. Communists who support the SKP have not--and will not--give the Aalto group the satisfaction of resigning from the SKP.

16 May 1986

Accordingly, the Aalto group now deliberately confuses matters by interpreting these communists' participation in the democratic election organization as a resignation from the SKP. In this way, the group attempts to stifle the dissatisfaction and rebelliousness of members and supporters.

This kind of conduct merely strengthens the view that the policy of sticking with the SKP has been and is correct.

De Facto Second SKP

Helsinki UUSI SUOMI in Finnish 15 Apr 86 p 2

[Editorial: "'Eurocommunism'"]

[Text] We can adopt the view that the communists' internal feud, which has lasted for years, was finally resolved over the weekend: there are now two communist parties. The organization called the Democratic Alternative founded by Taisto Sinisalo supporters this past weekend is a political party, even though attempts are made to avoid this designation. The IKL [Patriotic People's Movement] also proclaimed it was a movement and not a party. Nor is the true nature of the Sinisalo faction concealed by the figureheads recruited from outside the ranks of active politicians.

The definitive breakup was signed and sealed when for the first time last week the CPSU recognized the new district organizations established in place of the expelled minority districts by sending its representatives to visit them.

The CPSU's sympathies certainly have not changed, and there is no use waiting for any quick moves. Little by little, however, the CPSU will apparently deal with the Finnish communists the same way it does with divided parties in other West European countries.

Alongside the communist parties in France and Italy, there are variously named communist factions with all of whom Moscow maintains relations. In Sweden and in Spain there are two communist parties with both of whom the CPSU has contacts.

It is still not definitely certain which model Finland will end up with. The group led by the Uusimaa district, which would like the party to include the candid watchwords Marxist-Leninist in its name, exerts a powerful influence in the reorganized minority.

The development so far is a moderate surprise. It was hard to believe a few years ago that the SKP majority would endure the pressure which followed the ouster of the Sinisaloites. Arvo Aalto took a big risk but maybe he knew--better than outsiders--what he was doing.

Nevertheless, the SKP feud has not been decisively settled. For mathematical reasons, both communist groups will suffer defeat in the elections. The majority is still between Sinisaloism and the SDP [Social Democratic Party] millstones. On the other hand, an election victory does not mean much to the hard-core Sinisaloites: after all, the Parliament is just a podium for revolutionary propaganda. So it does not pay to make too early a bet on the ultimate winner.

The SKP's formal breakup may, however, bring forth new government arrangements a few years from now. An SKP majority which has secured its power base and put its foreign relations in fairly good working order might--in the appropriate political situation--be an interesting government partner to other people's front parties.

For the SDP, the SKP's participation would alleviate the real or imagined pressure in the trade-union movement. The exceptional teamwork in the SAK's general-strike operation was an interesting foretoken of this. Yet efforts by the communist-led alliances to go their own ways in subsequent discussions of income policy point to a continuation of the old, fundamental dispute.

Center Party secretary Seppo Kaariainen also winked at the communists last week. To be sure, the advice to seek one's own identity could even be interpreted as encouragement to the Sinisaloites. The election outcome will decide, however. Before that, the role of neither SKP wing is likely to change.

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CS0: 3617/100

POLITICAL

GREECE

WRONG ND MOVES IN MUNICIPAL ELECTIONS PREPARATIONS

Athens I KATHIMERINI in Greek 6-7 Apr 86 pp 1, 14

[Article by Stamos Zoulas: "Critical Dilemmas in ND in View of the Municipal Elections"]

[Excerpts] ND's decision to create a political issue in the municipal elections by pre-announcing a confrontation on all issues is of concern to a considerable section of the major opposition cadres. The question of whether such a choice is sound is mainly based on principle reasons which are strengthened by arguments of political expediency. It is, thus, pointed out that the blatant fractionalization of the municipal elections is in complete contradiction to the standard ND principle on independent and non-party guided local self-government. The same cadres also believe that the "political issue" may possibly assist the "forces of the Left" to close ranks again around PASOK--something Papandreou so consistently and methodically pursues.

As concerns the municipal elections, there exist certain facts which raise additional questions about the decision of the ND leadership to officially and blatantly politicize the confrontation.

First of all, the main "political battle" takes place in Athens where in recent years the municipal elections are fractionalized by PASOK and leftist parties and independently of the standard principles or proclamations of the parties. This tradition was maintained and confirmed in the three municipal elections which took place since the restoration of democracy.

In other cities such fractionalization is not ameliorated more or less, depending on the candidate's personality or his previous service, etc.

By contrast, the politicization of the municipal elections has always been absolute as is also shown by the similarity of the party forces which registered in the Athens First District during the parliamentary elections. Specifically, the correlation of forces in the past three municipal confrontations between ND and the candidate of the "democratic forces" in Athens is as follows (second round): 1975: ND, 45 percent; Left, 59 percent (approximately, since 9 percent was distributed among other candidates); 1978: ND, 43 percent; Left, 57 percent; 1982: ND, 44 percent; Left, 56 percent.

In the four parliamentary elections during the past 12 years ND received in the Athens First District in 1974, 54 percent; in 1977, 43 percent; in 1981, 34.5 percent; and in 1985, 44 percent.

A comparison of the results shows that the unity of the leftist forces in the Athens municipality functions with determined stability during municipal elections because of the electoral system, but mainly because of the fractionalization of the confrontation which until now was a PASOK aspiration and "achievement".

The 1982 municipal elections constitute the most demonstrative confrontation of this fact. In the first round the candidates received: Tz. Tzannetakis (ND), 37.95 percent; D. Beis (PASOK--KKE-Int.), 38.29 percent; Va. Efraimidis (KKE), 18.56 percent; Virginia Tsouderou (Party of Democratic Socialism - KODISO), 3.29 percent.

Miniscule Shifting

In the second round among the first two candidates, the result was as follows: Tzannetakis, 44.09 percent; Beis, 55.90 percent. In other words, from the total 56.85 percent of the "democratic forces" (PASOK-KKE-Int.-KKE) of the first round, Beis did not lose even 1 percent, but only 0.94 percent which shifted to Tzannetakis who also received the Tsouderou percentage.

It should be added that Tzannetakis and ND, which at that time was under the leadership of Evangelos Averof, avoided every element of fractionalizing the municipal election and during the campaign their slogan focused on the liberation of the Local Self Governments from the partisan clasp of PASOK and the Left.

In addition to these facts, the present conditions in the areas of PASOK and the communist Left dictate more than ever that ND should avoid fractionalization of the municipal elections.

PASOK's intra-party turmoil, the most significant deterioration it must have already suffered as a result of the admitted failure of its government's term, its confrontation with both communist parties because of its conservative economic policy, and its "turn" to the West, are creating in the area of the so-called broader Left greater problems for cooperation at the top level and for coalescence in the electoral base.

Slogans Being Hatched

One need not be an oracle to diagnose PASOK's slogan-warning to two communist parties with regard to the coming elections: "Do not surrender the municipalities--the fortress of democracy--to the Right." Beis, moreover, will demand the leftist vote "so that no rightist mayor will be elected 20 years after the Plytas victory."

The political issue ND raises in the municipal elections intensifies these pseudo-dilemmas to which the communist Left shows such sensitivity. Thus, ND contributes to the "fronts' unity" as Papandreou wishes.

As concerns the group of moderates or PASOK's former centrist voters who should be ND's main target, there is another problem ND again creates. It is the obstinate and repeated declaration by Mitsotakis that ND does not exclude the possibility of supporting a KKE candidate in the event that its candidate has not a chance of being elected in the second round. If the declaration aims at a mutual KKE response then--under the present political givens--it must be considered as politically nonsensical, because not only does it make difficult the shifting of votes to ND's official candidates but forces KKE to openly support the PASOK candidates in those cases where the opponent in the second round is an ND candidate. Only in this way will the Florakis party (KKE) avoid the stigma of a "makeshift alliance," of the "undermining of the Change," and of a "conspiracy with the Right."

Relations of Submission

The relations of KKE's submission to PASOK is a fact, as proven, moreover, by the shrinking of all West European communist parties which were forced in recent years into close alliances with the socialists. Moreover, following Gorbachev's advice at the CPSU 27th Congress on the need of the communist parties to cooperate with socialist and social-democratic parties, it would be naive for one to believe that there will be disobedience on the part of KKE which happens to be the most dogmatic and Moscow-dependent among the West European communist parties.

On the other hand, Mitsotakis' "offer" completely upsets the standard and adamant ND opposition to the possibility of a PASOK cooperation with the

communist Left. This possibility was the most important ND argument to the PASOK enclaved centrist voters to whom it brandished the threat of future cooperation with the traditional Left. These voters are now reasonably wondering why the PASOK-KKE cooperation is "illicit" and "dangerous" when KKE is legitimized by the party of the Right as "liable for cooperation."

One could also refer to the negative impact and to the questions the "offer" for an ND-KKE cooperation will naturally create in the area of the renewing Left, since the above share of the conservative front, if anything, justifies and considers worth KKE-Int. opposition to the dogmatic KKE.

The above warnings, coming from the wing of the most progressive ND cadres, are not, of course, advice for the renewal of anticommunism. They aim exclusively at elucidating and maintaining the elementary ideological and political responsibility in such communistic areas and at avoiding any confusion which unscrupulous actions and untenable positions could cause.

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POLITICAL

GREECE

SINCERITY OF PASOK'S 'TURN TO RIGHT' DOUBTED

Athens I KATHIMERINI in Greek 30-31 Mar 86 pp 1, 4

/Excerpts/ For the second time in 3 years Andreas Papandreou finds himself at the start of a period during which he can restore the trust of Greek public opinion in his governing. His pro-Western turn, which was sealed by the visit of the American secretary of state in Athens, can--it is generally believed--become the determining factor for stabilization of the economy--a factor more important than any immediate economic benefit. But this is possible only if this turn evolves into steady progress.

Just as it happened during the first months following the initiating of the agreement for the bases on 15 July 1983, today also public opinion is optimistic that the Papandreou-Schultz talks are placing the future of Greek-American relations in a broader framework than the agreement for the bases did.

This optimism, however, is most clearly moderate, mainly for two reasons: a) the past has proved that Papandreou was not willing or had failed to consolidate a climate of trust as concerned the country's overall political orientation during his days in power, and b) the government's first statements and reactions following the Schultz visit revealed that Papandreou is not disposed--or is not yet ready--to abandon his traditional doubletalk and to politically conduct himself toward the U.S. and the Western allies without "dependency complexes."

Thus, according to political observers, it is very possible for Papandreou to lost--not alone he, moreover--the second big opportunity to restore the climate of trust which is considered by both political forces and the entrepreneurial work as the decisive factor for coping with the economic crisis which has become the country's central political problem.

According to existing information, while by necessity he is forced to turn to the U.S. and his traditional allies, the premier seems determined to continue his rhetoric which links the realistic present with the "revolutionary" past.

This practice fatefully leads to undermining of the very effort the government assumed and, in certain cases, also forebodes short-term dangers for the national issues.

Direct Dangers

According to assessments by political observers, the reasons Papandreu insists on the practice of "performing "rightist-wise" and "speaking leftist-wise" are evident: The premier, on presenting his platform when he initiated his second 4-year term, used the most leftist phraseology which reminded us of the PASOK period of 1978-79. On the question of the bases he stated most categorically that they will be removed according to the existing timetable (without denunciations, etc.).

During the same period, Papandreu prepared his rightist economic policy which he assigned--for averting intra-party turmoil which he finally failed to avoid--to PASOK's traditional Left wing.

Now we are at the final phase of preparations for a new government reshuffling which informed circles place at about the end of April or early in May. According to the same circles, the dilemma Papandreu faces is whether the new reshuffling will be radical or simply reparative. Regardless of the published denials it is possible that this dilemma may echo Papandreu's concern about continuing or not this political double talk.

From this point of view, for Papandreu the dilemma appears critical and there are many who think he is already embroiled in this practice which he will unavoidably follow to the end. Already the reversion of his economic policy, despite the assurances he himself gave about the progress of the economy, has been an actual admission of failure. A second admission which could be expressed by a radical reshuffling and, especially, by an abandonment of double talk, would be tantamount to political bankruptcy.

A Game of Balancing

Such being the case, the view is expressed that even at this critical period of definite political decisions, Papandreu will resort to the game of balancing intra-party tensions and reconciling with the parties of the Left.

It is considered certain that the evident continuation of the governing party's policy will reduce to marginal levels the results of the "period of sacrifices" Papandreu has asked from the Greek people. The final result will be to lose valuable and virtually critical time for the reconstruction of the economy.

The main reason for insisting on this policy is found in the catalytic consequences the implementation of the rightist policy has for the whole party mechanism of PASOK. The two phenomena are in a directly proportional relation. The more stable and sincere is the government's rightist policy, the more destructive are the phenomena of concerns and reactions of the party mechanism which supports this policy.

The New Democracy Party

It is strange that this vast field where constructive as well as devastating criticism could be exercised remains almost unexploited by the major opposition. Many leaders claim that ND has all reasons to try every "opening to the Right" of the government in order to persuasively make it clear to the electoral body that not only is the true turn toward private initiative the best policy for the country but also that organizational and structural reasons PASOK is the most unfit political agent to plan and implement it.

Without doubt ND's criticism has, from time to time, touched upon these issues. It is observed, however, that ND has dealt with them in an incidental or fragmentary way which does not reveal that a specific strategy is followed in criticizing the behavior of the governing party. Moreover, such criticism confirms the correctness of the ND claims while with the party reactions it verifies the fact that PASOK is not the right party to cope with the economic crisis which it, moreover, made worse.

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POLITICAL

GREECE

PASOK'S WILLINGNESS TO COOPERATE WITH LEFT QUESTIONED

Athens I KATHIMERINI in Greek 30-31 Mar 86 p 9

[Editorial]

[Excerpts] It would betray excessive naivety to believe that Papandreou would tell the Greek people the entire contents of the "package" of issues the American secretary of state presented during his visit here; and that he would not limit his information to the people as he always does--only to the package's wrapping! If the premier and chairman of PASOK had the propensity of revealing all that was said during the 3-day talks with Schultz--except national secrets--he would have had the easy task of preparing the Greek people (before the talks) about the issues his government would like to raise and about its official positions on them.

However, until he decides to be more talkative--or until he is pressed--and more substantively, it is worth pointing out another consequence--in the purely internal political sector--which will arise as a result of the "normalization" between the government's relations and the American policy. This consequence is related to the role the communist Left will henceforth be allowed to play for "promoting" the "Change". In other words, it concerns the margin Papandreou has for using the communist parties as possible supports of his government and the rewards these parties will demand in exchange for such support.

If the development of the economy and its negative effects do not cut short the government's life they will, in any case, minimize Papandreou's hope that it is possible for him to gain a parliamentary majority when and if elections take place. This means that, in order to maintain its power, the "main force of Change"--was PASOK calls itself--will need alliances. Papandreou himself hinted at such a prospect when he said the simple proportional system was one of the subjects he will be entitled to raise provided the traditional Left agrees to have a "dialogue" with him.

But how is it possible for PASOK to form a government of "cooperation" with communist ministers in it or even to depend on the parliamentary votes of the communists when the members of the two communist parties, and especially

those of KKE, are also, because of ideological duty, members of the international communist movement which is directed by the Soviet communist party?

How will it be possible for these members--of government cooperation or support--to have "free access" to all the secrets of the Atlantic Alliance and of American diplomacy in Greece when they have set as their major political duty the extermination of "American imperialism?" Could it be incidental, we wonder, that Papandreou "mentioned" the Soviet secret agent Bokham [who escaped to the U.S.] as one of the reasons for the delay in furnishing the Greek air force with American F-15 planes? Or was it an intentional, albeit indirect, reminder of the consequences the communist participation could have for the defense of the country?

Many changes will unavoidably be added daily to the scenario PASOK tried to develop with its presence in the country's political life to the enormous disillusion of those who believed this scenario would mean "more democratic rule."

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CSO: 3521/122

POLITICAL

GREECE

NEW PROPOSAL FOR FINANCING POLITICAL PARTIES

Athens I KATHIMERINI in Greek 2 Apr 86 p 4

/Text/ The financing of political parties is being reduced. Interior and Public Order Minister Ag. Koutsogeorgas submitted a recommendation to the Ministry of National Economics in which he stated:

First, in the context of the government's economic policy, political parties should not receive the amount they are entitled to receive--about 1.4 billion drachmas, and

Second, political parties are asked to make public their balance sheets for 1985 as the law provides. It should be noted that ND has already done so and the total amount is 1.332 billion drachmas, of which 629.9 million drachmas represent election campaign expenses.

At the same time, the Interior Ministry is studying the proposal submitted to the Ministry of National Economy concerning changing the regulation granting to a government the right to reduce the amount given to political parties in proportion to the conditions of the country's economy.

Reduction by 200 Million

The Interior Ministry's recommendation provides for a cut of 200-220 million drachmas to the subsidy given political parties. Thus, instead of receiving 1.4 billion drachmas as the law provides, parties will now receive an amount which will fluctuate between 1 and 100 million drachmas or a total of 1 billion drachmas (at the most)...

On the basis of the regular subsidy (based on 1.4 billion drachmas the parties received), the parties were expected to receive the following amounts: ND, 500 million drachmas (an amount insufficient to even cover its operational and election campaign expenses); PASOK, 700 million drachmas (an amount which does not even cover campaign expenses); and KKE, 250 million drachmas.

It is worth noting that the "institution" of subsidizing political parties and of publishing their income and expenses has been applied in many European countries for many years now.

When it was in power, the present opposition party repeatedly asked for control of the parties' financing and for publication and control of their expenses and sources of income. At that time PASOK and KKE reacted negatively...

Enormous Expenses

According to reports, the issue of financing was raised by representatives of certain political parties since their expenses are much greater and are, without exception, facing difficulties. According to the same reports, political parties spent a total exceeding 3.2 billion drachmas during their election campaigns. PASOK spent 958 million, KKE about 750 million, KKE-Int, 200 million and the Democratic Center Union about 218 million drachmas.

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POLITICS

ICELAND

COLUMNIST VIEWS PROBLEMS IN PEOPLE'S ALLIANCE, PROGRESSIVES

People's Alliance Opposition Tactics

Reykjavik MORGUNBLADID in Icelandic 14 Feb 86 p 9

[Commentary by 'Staksteinar']

[Text] No Labor Leaders

The government proposals submitted to solve the current wage dispute have in general been well accepted. It arouses attention that in the wake of this, the People's Alliance calls for "fighting days against the government." It causes no less attention that the main leaders of the People's Alliance in the labor movement do not hold key positions in these "fighting days." 'Staksteinar' will elaborate on this today.

Political Party's Fighting Days

The People's Alliance received 22.9 percent of the votes in the 1978 parliamentary elections.

In a public opinion poll that was conducted last year, the party's following had dropped to little over half of the party's previous support.

It is in general a feather in the cap of the radical political parties to be in government opposition during a period of dwindling national income and economic hardships such as have harangued the Icelandic national economy in the past months and years.

The People's Alliance leadership has, however, succeeded in handling the party's matters in such a way that the support for the party has decreased while the party was in the government opposition. The leading party of the government opposition, the People's Alliance, has created a profile visible to the society that is of such a nature that the government simply cannot but gain from the comparison.

The government has made mistakes in many instances but in other instances things have worked out fairly well. The government's reasonable initiative to solve the current wage dispute has in general been well accepted. The

government's proposals aim at getting the inflation down to a similar level which our main trading partners have, which is the prerequisite for ensuring the competitive position of Icelandic industries both domestically and abroad--and save the wage benefits obtained in the upcoming wage agreements from the ravage of inflation. It is in no one's interest to revive the runaway inflation that reached 130 percent annually during the reign of the People's Alliance (first quarter of 1983).

The People's Alliance picks this reasonable government initiative as "fighting days against the government!" Wonders never cease in these quarters!"

The Labor Leadership Not Participating?

During the past days, THJODVILJINN has been introducing the People's Alliance "fighting days" in all the electoral districts of the country. It arouses attention that in the sponsors' introduction to the People's Alliance fighting days gatherings that there is no mention of the names of the leaders within the federation of wage earners but those are the names which the party usually flaunts. It can hardly have been the intention of Svavar Gestsson to sidestep the party's leaders in the federation of wage earners. It is more likely that the leaders of the federation of wage earners refused to participate in the staging.

It also arouses attention that one of the People's Alliance members of parliament, Gudrun Helgadóttir, has in parliamentary speeches directed many derisive remarks at the labor leadership. In fact, the conclusion may be drawn from the parliamentarian's words that the parliamentary group of the People's Alliance is more concerned with the wages of the parliamentarians own wages than the wages of the low income people.

In light of the emphasis on wages that characterize the speeches of Gudrun Helgadóttir, it becomes understandable why the main spokesmen for the People's Alliance in the federation of wage earners prefer to remain outside the party's "fighting days" directed against the government. It is not a desirable lot to shoulder the responsibility for the creation of the gross white elephant which Svavar Gestsson designed and has brought the People's Alliance down to the trough in the public opinion polls.

The Experience of the Icelandic Krona

It had reached the point in the middle of the People's Alliance term in government that the Icelandic krona had shrunk so much in relation to purchasing power that it was considered advisable to mint 100 old kronur into 1 new krona. That currency change later became a chapter by itself in the People's Alliance "fighting days" and the development of wage benefits at that time.

For a short period the Icelandic krona was "equal" to other Nordic kroner. But the honeymoon did not last long, and the People's Alliance government policy continued to prove its excellence for several months. By now, almost 5 Icelandic kronur are needed for every 1 Danish krone. That is how much the fire of the inflation has burnt off the Icelandic new krona.

The experience of the purchasing power of the Icelandic krona is in part the experience of the People's Alliance government policy when the party was in the government during 1978-1983. It is well to remember that inflation in Iceland was well below 10 percent on the average during all the reconstruction years 1959-1971, or for 12 years. Stability prevailed in Icelandic economic life during that period. The runaway inflation began in 1971 and reached its peak in 1983. The People's Alliance participated in forming the government in 1971. The party was also in the government in the spring of 1983 when the inflation was 130 percent. At that time, the party's fighting days were fought within the walls of the Government House.

Opposition Campaign Discussed

Reykjavik MORGUNBLADID in Icelandic 19 Feb 86 p 9

[Commentary by 'Staksteinar']

[Text] "Fighting Days Against the Government"

The People's Alliance sponsored "fighting days" against the government and advertised this with much fanfare which failed completely. There are not many examples of a party's political propaganda blitz that has been bungled as thoroughly as this one. 'Staksteinar' will discuss this today--as well as the backdrop for the "fighting days."

Dispute On Board

The opinion polls which have been conducted in recent months show that the People's Alliance is in a trough with respect to general trust and confidence. There are two primary reasons for this. Firstly, the People's Alliance has been in the government for 8 of the last 15 years and is administratively responsible for the development of prices, wages and purchasing power for the greater part of this period. Secondly, internal conflict has raged during many of the past years which, among other things, was clearly demonstrated at a recent national party congress, as well as in the composition of the slate of candidates for the upcoming city elections in Reykjavik.

There are many indications that there was a dispute about the "fighting days against the government;" whether the initiative should be launched and about the organization of the initiative. "Party owners" who trace their roots back to the Socialist Party and before that to the Communist Party, supported the People's Alliance Youth Organization idea about the "fighting days" with the approval of Party Chairman Svavar Gestsson. But the "opposition group" (which calls itself the democratic generation) displayed doubts. The THJODVILJINN leadership is said to have followed the latter group.

"The fighting days" were supposed to appeal to wage earners. This misfired. The initiative did not work externally and caused internal disputes.

The "Fighting Days" Awareness

The notice paid to the implementation of the "fighting days" did not turn out to be great. Nor did reports about that fill the pages of THJODVILJINN. If many people would have attended these meetings, THJODVILJINN would have emphasized that with pictures. That, however, never came about. Instead, THJODVILJINN published a front page picture--not from fighting days meetings that were to be held in all electoral districts nationwide--but pictures of the party speakers and THJODVILJINN speakers smiling to the party chairman. Maybe the THJODVILJINN faction wanted to show that it had made himself a laughing stock with the "fighting days?"

In the text accompanying this picture, Sigurjon Petursson who barely made it in the People's Alliance primaries in Reykjavik is quoted:

"This is the beginning of the campaign for the local elections. Those elections will also involve the government because people are on the war path..."

Sigurjon Petursson who is the chairman of the People's Alliance City Council group in Reykjavik, barely succeeded in being reelected on the home front. The person who enjoys limited faith within his own party ranks is not likely to achieve any great deeds on the outside. It is understandable that he is not interested in having the Reykjavik City elections evolve around city affairs as the achievements he and the People's Alliance have to show in that arena are microscopic.

In the People's Alliance, all days within the party are "fighting days" where "cells" and groups of eccentrics fight each other. Such a ragged group is not very well suited for leadership. Such a group is, however, free to make its own blunder.

Will There Be an Agreement About Inflation?

Ever since 1971, inflation has been infinitely greater here than in our neighboring countries. The inflation has distorted the competitive position of Icelandic production; weakened the operational position of industries and burnt up people's "wage benefits." One hundred old kronur were minted into one new krona which since then has shrunk tremendously in purchasing power and is on a fast course to take on the size of the old krona.

The price development in the coming months is significantly dependent upon the current wage negotiations. Will there be an agreement on realistic wage benefits that are based on economic facts in the national economy--or will the wage negotiations evoke a new inflation period?

Thordur Fridjonsson, economist and adviser for the government on economic affairs, wrote an article in SNAEFELL, the organ of Independents in the Vesturland. It is stated, among other things, in this article:

"In quite many developed countries, inflation has been almost eradicated; price increases in these countries are that minimal. As an example, it suffices to mention West Germany, Switzerland and Japan. In these countries, the price changes were about 2 percent last year and during the last months of the year it was even possible to see a decrease in prices from one month to another.

In many other places, the inflation was about or below 5 percent, for example, in the United States, Denmark, Norway, France and Great Britain...In the OECD countries, which we like to compare ourselves with, it is only one country, Turkey, which has higher inflation than Iceland. The inflation in Turkey was about 40 percent last year. Other OECD countries have much lower inflation than Iceland; even Italy and Spain, which have been fighting against high inflation, managed to get the inflation down to a one digit figure."

Progressive Party's Problems Mount

Reykjavik MORGUNBLADID in Icelandic 20 Feb 86 p 9

[Commentary by 'Staksteinar']

[Text] Progressive Party's Problems

The Progressive Party is under attack from many directions. The party seems to have lost all confidence and trust among voters in the metropolitan area; and now the party has handled the implementation of a new agricultural legislation in such a manner that the farmers' support seems also to be falling apart. Party Chairman Steingrímur Hermannsson has said that the Progressive Party could be sacrificed in the war against inflation. He stated, however, in a television program last Tuesday evening that he had been quoting a good and solid Progressive in the northern part of the country. The question arises whether the party will disappear with the inflation. 'Staksteinar' today will elaborate on this television program along with other things.

A Snipped Rose

State Radio Reporter Atli Runar Halldórsson phrased the question well when he asked the prime minister [Steingrímur Hermannsson] whether his party, the Progressive Party, could not best be compared with a snipped rose which stayed alive while it was kept in water. Hermannsson denied this, of course, in his response but he must, however, realize just as well as do others that the Progressive Partyism does not have a place in Icelandic society at the end of the twentieth century. It is not enough to take the same stand as does Páll Petursson, the chairman of the parliamentary group of the Progressive Party, and think that progress will slow down only because the Progressives are against it. But Steingrímur Hermannsson and Páll Petursson form the opposite poles in the party and Hermannsson frequently uses Petursson and his cohorts as an excuse when he resorts to measures that are unpopular.

Yesterday, THJODVILJINN reported the third pole. It is, of course, understandable that there are more than two in the Progressive Party. That is Thordur Ingvi Gudmundsson who said in a "matchless" speech, as THJODVILJINN Editor Ossur Skarphedinsson calls it: "I am the Progressive of tomorrow. Pall Petursson and Ingvar Gislason are, however, the Progressives of yesterday." This is what Gudmundsson said at a party introduction meeting that was held in Fjolbrautarskoli Gardabaejar. The editor of THJODVILJINN said that that speech also aroused great attention because of the "intense tone of liberalism it contained."

Does Not Want the Progressive Rose

Social Democratic Party Chairman Jon Baldvin Hannibalsson also participated in this television program on Tuesday evening. He did not at all want to reject the social democratic rose which is the common denominator of the international alliance of democrats worldwide. As is well known, Hannibalsson has elected to put himself in a different category than top Nordic democrats. He prefers to compare himself with southern, hot blooded democrats who have been in power during the past years, although the outlook is gloomy for them in France at the moment and they are facing difficulties in Spain because of their own decision to call for a national referendum on the NATO membership. But Hannibalsson claimed to be a classic democrat with a southern aura, and he said about his dear party in this country that is not an "impressive apparatus." Hannibalsson said that he had been concentrating hard at internal party work recently and that is why he has not been in the public limelight as much as before. He did, however, not want to admit to any "blame" for the fall of Sigurdur E. Gudmundsson from the first place on the party slate in Reykjavik. He said that was a matter that he had not been involved in and even less in charge of.

When the question was asked whether he would consider taking over the snipped Progressive rose, he said that would be out of the question. Hannibalsson said something to the effect that the Progressive Party needed a mental retraining. And it was clear from his words that this retraining did not involve cooperation with the Social Democratic Party in Iceland.

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POLITICAL

SPAIN

POLITICAL GROUPS CRITICIZE U.S. BASES

Madrid EL PAIS in Spanish 1 Apr 86 p 14

[Text] Madrid--Chairing delegations of the CCOO [Workers Commissions] and the Communist Party of the Peoples of Spain (PCPE) respectively, Marcelino Camacho and Ignacio Gallego yesterday held a meeting at the headquarters of the PCPE at the close of which they agreed to foster concerted action aimed at dismantling the joint U.S.-Spanish military bases in Spain, cutting Spain's military spending and encouraging job creation.

Both Gallego and Camacho denied having discussed specific aspects of forming an election coalition to the left of the PSOE and of unifying Spanish Communists in a single party. Nevertheless, Marcelino Camacho stated that the CCOO hails whatever steps are taken to unify Communists and leftist forces that can take advantage at the ballot box of the disagreement with the administration's policies as voiced in the NATO referendum.

The PCPE voiced its determination to keep on supporting the CCOO. In a joint communique, the union said that it "will maintain its tradition policy of not involving itself in party or electoral matters. This does not mean a lack of interest, however. On the contrary, we seek a redesigning of the political map that will enable the workers' interests to be better represented."

In their joint communique both the PCPE and the CCOO stated that the administration's policies are worsening the living and working conditions of the workers.

Separately, the committee made up of six representatives of the Civic Platform for Spain's Withdrawal from NATO met again yesterday to look into the group's future. The committee discussed the opinions of the chief members of the platform, which had been expressed in six reports that the committee members exchanged before the Holy Week vacation. One basic point of agreement in the reports was that a united front ought to be maintained to see to it that the administration fulfills the conditions it proposed for Spain's continued membership in NATO.

8743
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POLITICAL

SPAIN

PCE DOUBTFUL OF NATO SUPPORT AGAINST MOROCCO

Madrid DIARIO 16 in Spanish 11 Mar 86 p 7

[Article by Alvaro Vega]

[Text] Cordoba--Julio Anguita, the Communist Party of Andalusia's candidate for president of the Board of Andalusia, has predicted that Morocco will attack the Spanish territories of Ceuta and Melilla after it wins the war in the former Spanish Sahara and that NATO will not respond to this act of war.

"If Morocco defeats the Polisario Front, the 150,000 soldiers who are in the Sahara will turn against Ceuta and Melilla," were the exact words of the former mayor of Cordoba. He also asserted that NATO would not come to Spain's defense, based on the precedent on Algeria, which in his view prompted France to withdraw from the military organization of the Atlantic Alliance.

Anguita made these remarks at a meeting attended by some 700 persons in the open air Municipal Theater in Cordoba. Also speaking was the deputy secretary general of the PCE, Enrique Curiel.

Citing a wealth of facts and figures and seeking to point up the PSOE's turnaround from its previous stand, the Communist candidate for the presidency of the board called on the audience to become "agitators and propagandists for a no vote" if they left the gathering convinced that this was the right decision.

Elaborating on the similarity between France in Algeria and Spain in Ceuta and Melilla, Julio Anguita indicated that "NATO did not help General de Gaulle against the Algerians because it was north Africa, which is where Ceuta and Melilla are." He went on to say that "the claim that NATO is going to defend them is a lie." He cited an article in the Treaty of Washington that describes an attack on European or American territory as an attack on the allies as a whole.

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POLITICAL

SPAIN

FRAGA TO LAUNCH ANDALUSIAN ELECTION CAMPAIGN

Madrid EL PAIS in Spanish 1 Apr 86 p 14

[Article by Fernando Jauregui]

[Text] Madrid--Manuel Fraga, the president of Popular Alliance (AP), and Miquel Roca, the man behind the so-called "reformist operation," will begin their respective campaigns in Andalusia this week, thus formally initiating the new political stage after the referendum on Spain's continued membership in NATO and the vacation break. AP will take the opportunity to again launch its Fraga 86 campaign. Concurrently, the administration will take up regulations for private television over the next few days.

AP circles have admitted that the election campaign in Andalusia, which will conclude with the 22 June autonomous community elections, will be a sort of primary for Fraga with an eye towards the legislative balloting, which everyone now thinks will inevitably be held in the fall. The same circles have indicated that the Fraga 86 campaign, which was begun during the autonomous community elections in Galicia, will be stepped up. The AP leader will be traveling this weekend to Cordoba and Malaga, accompanying the Popular Coalition candidate for president of the Andalusian Board, Antonio Hernandez Mancha. Henceforth, Fraga will be spending almost every weekend in Andalusian provinces.

The spokesman of Catalan Minority, Miquel Roca, will also be heading for Andalusia this weekend. On Friday he will deliver a lecture in Seville and on Saturday chair a convention of the Democratic Reformist Party (PRD) at which the PRD's candidate for the board, Luis Marin, will be officially nominated.

The fact that Fraga and Roca are personally inaugurating the campaign this week in Andalusia shows how much importance the two attach to this new stage, which Fraga kicked off euphorically yesterday, asserting in Leon that the upcoming legislative elections in Spain could bring the same result as in France, in other words, victory for the Right. The National Board of Directors of AP will meet next Monday for the first time in almost a month, and the Coordinating Committee of the Popular Coalition, which comprises the leaders of the coalition's parties, will caucus on Wednesday the 9th.

In both instances the agenda will include more than preparations for the Andalusian elections. There are other decisive issues as well, such as whether or not to submit a censure motion (perhaps this month) in Parliament against Felipe Gonzalez' administration. This move, which Fraga strongly advocates, is rejected, however, by the leaders of the other two coalition parties, Oscar Alzaga, who is traveling through Central America, and Jose Antonio Segurado, as well as by some AP leaders themselves.

Struggle Over Television

What the Popular Coalition leaders do seem to agree on completely is the issue of public television in general and the status of Spanish Television's managing director, Jose Maria Calvino, in particular. The issue will dominate debate next week in the Congress of Deputies. The coalition leaders agree that this issue should be one of their main tools for hounding the administration.

For their part, the Socialists have not gotten as early a start in this new stage. The party's Federal Executive Committee is not scheduled to meet until next week, when there will also be a special session of the PSOE Federal Committee, the number one decision-making body between congresses.

The 21 members of the Federal Committee who belong to Socialist Left indicated that they would attend the meeting, though they do not know whether they will take up the issue of possible sanctions against the critics who advocated a no vote on Spain's continued membership in NATO during the referendum campaign. Officially, the agenda for the special session of the committee includes an analysis of the referendum returns and initial debate on the candidates for the upcoming elections.

For its part, the administration will hasten consideration of the pending issues that have been repeatedly put off, including regulations for private television, which according to administration spokesman Javier Solana, could receive a green light from the Council of Ministers as early as this week.

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POLITICAL

SPAIN

'NEW LEFT' PROPOSED AS ALTERNATIVE TO PSOE

Madrid YA in Spanish 23 Mar 86 p 8

[Article by M. Ribero Brena]

[Text] Madrid--Felipe Gonzalez wanted to put an end to the Spanish Left's crisis with this blunt statement: "Carrillo has managed to do what Franco never could: Sink the PCE." Almost 4 years later, the NATO referendum has enabled Gerardo Iglesias to embrace Spanish "pacifism" and, in passing, underscore the need for a "New Left" as an alternative to the PSOE.

Antonio Gala, the president of the Civic Platform for Spain's Withdrawal from NATO, indicated to this paper that "it would not be at all bad for the country if the leftwing parties were generous enough to renounce their puritan attitudes for the sake of a new political force to the left of the Socialist Party." He was clearly alluding to the differences of opinion that have arisen within the platform now that the time has come to forge the "New Left" that had been heralded with undeniable fanfare in the wake of the almost seven million no votes in the referendum last 12 March on Spain's continued membership in the Atlantic Alliance.

One thing seems obvious: "Spain's New Left" will not be possible without an understanding among the various communist factions that have arisen after the PCE fragmented. Moreover, the diversity in ideology and even in political strategy among the various organizations that constitute the Civic Platform makes it more unlikely that it can fill the political vacuum to the left of the PSOE.

Marcelino Camacho does not have the slightest doubt about it. As he told this paper, "not just the PSOE but the party's bureaucratic oligarchy has suffered a severe setback because of the recent referendum." As far as the secretary general of Workers Commissions (CCOO) is concerned, the mass movement that has developed around withdrawal from the Atlantic Alliance has not only awakened strong hopes within the Left in Spain, but also represents "a starting point, in view of the unquestionable influence that the social movements are going to have in their struggle for disarmament and jobs, in the face of a Socialist government that no longer represents the interests of the working class."

The PCE's Big Dream

No sooner had the results of the balloting on 12 March been made public than Gerardo Iglesias once again brought up the Communist Party's big dream: to create a broad leftist alliance that at some future election could wrest from the PSOE as many ballots as had been filched from the communists by the so-called "useful vote." Standing behind the moral and political victory that he claimed from the almost seven million no votes cast at the referendum, the secretary general of the PCE reiterated "the urgent need for a broad accord among people on the Left who are for progress and change in the country."

His view is shared by Alonso Puerta, the leader of PASOC; Ramon Tamames, the president of the Progressive Federation, and Nicolas Sartorius, the deputy secretary of the PCE. All of them told YA that the referendum dealt a serious blow to the Socialist Party, "because as has been shown, a united Left has a very good chance to represent broad segments of Spanish society that today feel bereft of representatives."

Even so, very few would go so far as to conceal the huge difficulties facing an effort to unite the Left, especially if we bear in mind the wide gap between Gerardo Iglesias' PCE and the Board for Communist Unity, which Santiago Carrillo heads. Their differences can be illustrated thus: Iglesias asserts that a possible understanding with Santiago Carrillo is but "a minor issue," while the former secretary general of the PCE has stressed his determination "to run alone in the election if it cannot be helped," as he emphasized at a recent meeting with the members of the Board.

The stumbling blocks to leftwing unity are even greater, if that is possible, owing to the diversity of ideology and even of political strategy among the various groups and organizations that have hitherto made up the Civic Platform for Spain's Withdrawal from NATO: the Communist Party (Marxist-Leninist), PCE, the Spanish Communist Workers Party (PCOE), the Progressive Federation, PASOC and the Humanist Party, along with the well-known figures who belong to it as independents. Thus, "it would be a real miracle if from the platform there emerged a new political force with solid prospects at the polls," leftist sources consulted by this paper asserted, "above all if we bear in mind that there is not much time until the general elections." As far as these sources are concerned, it is almost impossible for figures such as Ramon Tamames and Enrique Lister, to cite two specific names, to come to terms with the current leadership of the PCE, "given that they are former communist activists."

15-Day Deadline

The Civic Platform for Spain's Withdrawal from NATO has given an ad hoc committee 15 days to draft a document setting forth the tasks that it ought to perform in the future or calling for its final dissolution. This could well be interpreted as the "swan song" of a movement that senses the tremendous problems entailed in establishing an electoral coalition to the left of the PSOE.

The PCE is unquestionably the most interested in seeing this electoral coalition eventually forged. In view of the outcome of the recent legislative

elections in France, at which the Communist Party was unable to capitalize alone on French dissatisfaction with the Socialists' performance in office, it is not at all strange that at last Friday's meeting of the PCE Central Committee, Gerardo Iglesias once again underscored the urgent need to create a leftwing coalition, this being another chance to overhaul the party, in a bid to take proper advantage of the political capital built up from the mass rallies during the recent referendum campaign. To make such a coalition possible, the PCE is reportedly even willing to forgo its own initials, just as the Portuguese Communist Party did when it ran in the most recent legislative elections under the acronym of the APO (United People's Association) coalition.

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POLITICAL

SPAIN

FOREIGN MINISTER ON FRENCH, NICARAGUAN RELATIONS

Madrid YA in Spanish 26 Mar 86 p 8

[Interview with Foreign Affairs Minister Francisco Fernandez-Ordonez by Maria Merida; date and place not given; first four paragraphs are introduction]

[Text] Foreign Affairs Minister Francisco Fernandez-Ordonez spends just one-fourth of his time in Spain. In recent months he has traveled more than 50 times to the European Economic Community, which he acknowledges has many more problems than the Atlantic Alliance.

In response to a question that I asked him on the COPE network program that provided most of the material for this interview, a question about how the Arabs are reacting to Spain's establishing diplomatic relations with Israel, the minister indicated: "I can't say that they're pleased. But as we have often explained, Spain was not and is not planning to alter its policy towards the Arab world, and however displeased they might be with our decision, they understand that all EEC countries have relations with Israel. Having relations with a country means, above all, mechanisms for defending mutual interests. That is their only importance. For example, Iran and Iraq have diplomatic relations and they are at war. That says it all. Therefore, they do not mean approval of a policy, far from it."

French-Spanish Relations

Regarding relations between France and Spain after the Center-Right coalition victory and bearing in mind that the current head of government, Mr Chirac, was against our country joining the EEC, Fernandez Ordonez stated: "I sincerely believe that things are not going to change. A lot of water has passed under the bridge since 1979, when Giscard was in power. I have been exchanging impressions with our ambassador in Paris, and he is of the same opinion. Unquestionably, the electorate is different, and there is an agricultural constituency behind Mr Chirac that has interests that run counter to ours and that could complicate things for us. But the agreement has already been signed; it has been ratified, which was something that was very difficult to accomplish. I think that we have institutionalized relations with France, so I don't think there will be an appreciable change at this point."

"As for cooperation in fighting terrorism, there should be no change here either. In fact, the information that I have is that it is going to continue. The prime minister will cooperate, I am sure. He is clearly of this mind, and the reports that I have from our consulates also indicate as much.

[Question] Do you find the political "cohabitation" that has now begun in France interesting?

[Answer] Yes, I think that it is a very interesting exercise, and though it might seem odd, the French Socialist Party is pleased with the election results. Moreover, Chirac's statements have been politically moderate, so we should hope that this new "marriage" in France lasts and does not end in divorce.

[Question] Have you worked out plans for a reduction in U.S. troop strength in Spain, which you have said must be gradual and negotiated?

[Answer] Worked out, no. But there should be agreements by summer. We have made a lot of progress, and both the Defense Ministry and we in the Foreign Ministry have had all sorts of contacts, because the issue has two facets: military and defense, which is very important, and foreign relations. I think that there is going to be an agreement, but I can't and shouldn't announce anything.

[Question] If the plan is to partly dismantle the American bases, what significance is there to President Reagan's move to spend more money on them?

[Question] That is a question of funds allocation, just as in other countries the funding is actually being cut. For example, my counterpart, Mr Shultz, is about to travel to Italy, Greece and Turkey, where he will be involved in negotiations similar to the ones with us, but the approach will be different. Economic conditions, not just changes at the bases, are at issue in those countries. The argument there is: you can keep your bases, but give us more money for them. Spain's approach is this: the bases are very old, 30 some odd years, and we're going to reexamine them and do something in Spain's interest, lessen their presence, inasmuch as we are members of the Atlantic Alliance.

[Question] Mr Fernandez-Ordonez, would you also have voted against Mr Reagan on the anti-Sandinist aid issue?

[Answer] Obviously. But I assume that Mr Reagan will not give up on this issue and will continue his fight. He is a tenacious man and an experienced politician and is convinced that he has to help the guerrillas fighting against Nicaragua. We feel that this is a mistake and we share this view with all of the Latin American countries, which also think that this is an error and does nothing to further peace. And as we have just seen, our stance is shared by many Americans who do not agree with U.S. foreign policy on this issue.

[Question] Our policy on Central America is not going to stray from this course, is it?

[Answer] No. There have even been gains. The new government of Costa Rica has tightened up the border with Nicaragua and has made an interesting effort in this regard. I think that what should not be done is corner the Nicaraguan regime, so to speak, and instead give it a way out, pave the way for a comprehensive peace in the region. This is the same position as is held by Mexico, Argentina, Uruguay and all of the Contadora countries. Spain of course supports this stand, and so do all of the EEC countries, which have major misgivings about Reagan's policy.

[Question] Does our continued membership in the Atlantic Alliance have any effect on our towns of Ceuta and Melilla?

[Answer] No, but obviously it does no harm. It is odd, though, that we in Spain always talk about Ceuta and Melilla this way, while the Moroccan Government never does. The Moroccan Government always raises the issue of its rights but has never talked about resorting to violence. We are talking here about the unthinkable, and even in the event that such an absurd thing came to pass, the Atlantic Alliance is unquestionably an advantage, not a drawback to Spain. In any case, as foreign minister I have to reject any potential violence by the Moroccan Government to reclaim Ceuta and Melilla. When King Juan Carlos traveled to Morocco on the anniversary of the inheritance of the throne, King Hassan behaved very elegantly because he did not even mention the towns in his speech.

Spain's Mission in NATO

[Question] Defense Minister Serra has stated that the main purpose of our continued membership in NATO is to defend our own territory. Do you share this view?

[Answer] Not only do I share it, I said the same thing recently. Spain's main mission in the Atlantic Alliance will be to defend our territory, paradoxical though it may seem.

[Question] And not belonging to the command structure will not in practice mean being second-class members, as some circles are saying?

[Answer] With apologies to those who might have said it, that is nonsense. There are no second- or third- or even first-class members. As Lord Carrington said, in the Atlantic Alliance the only general rule is that there is no general rule. Each country has its model, which depends on its history, its geography and a whole set of circumstances.

[Question] And over time might not the government consider it advisable to alter the conditions for our membership in NATO, or is the agreement immutable.

[Answer] It is immutable, because a whole set of circumstances would have to change. We are also bound by a vote of the people. Aside from this, though, we really want it this way. We have no need to amend it.

[Question] What is the purpose of your upcoming trip to the Philippines, Mr Fernandez-Ordonez?

[Answer] To resume a dialogue between Spain and the Philippines that did not exist during the whole time that Ferdinand Marcos was in office. Spain left the Philippines 80 years ago; so it wasn't that long ago that we were there. We did not leave our language behind; Spanish has almost disappeared from the Philippines. But I think, nonetheless, that there is something left, because a history never dies completely, and we have to revive it. Spain has not been a stranger to Asia, far from it, and we have to travel down those old paths again, and the meeting in the Philippines is of great political interest.

The United States and Europe

[Question] Is it likely that the United States will begin to pay less attention to Europe, perhaps because the continent seems too old to it?

[Answer] Well, that's an issue that we could talk about for a very long time. I said during the NATO referendum campaign that if the United States ever withdrew from the Atlantic Alliance, a chill would go up and down the spine of the Old Continent, since the United States went in there because the Europeans asked it to.

[Question] Your recent trip to Portugal wasn't as positive as you hoped, was it?

[Answer] Yes it was. I met with President Soares, Prime Minister Cavaco and my counterpart, Miranda. This is a very interesting juncture for relations between Spain and Portugal. Portugal, which has always looked out to the sea, to the Atlantic, is turning its eyes back towards Europe, where it inevitably comes across Spain.

[Box]

Gibraltar: A Problem to Be "Dissolved"

Fernandez-Ordonez has stated that since Gibraltar is the last colony in Europe and since Spain and Great Britain belong to the EEC, Britain's position is morally untenable. "So that we don't have to put up with this situation any longer," he explains, "the Spanish Government is going to work in two directions, which is what it is already doing. We are going to work on cooperation between the people of Gibraltar and the entire surrounding region, so that there is real communication, so that the longstanding inertia is shattered, so that the situation becomes normal in every way, so that the people of Gibraltar become a part of their natural environment, which is Spain. At the same time, it stands to reason, we are going to move closer to the British Government. I once said that there are problems that can be resolved and others that can be dissolved. Gibraltar is a problem that is going to dissolve. We have obviously been gaining ground even among the British public. Remember that we are talking about sovereignty, an issue that was unthinkable just a few years ago. This is why we have to let the passage of time play its part."

POLITICAL

SWEDEN

NONSOCIALISTS FACE CHALLENGE IN STRONG SUPPORT FOR CARLSSON

Stockholm SVENSKA DAGBLADET in Swedish 7 Apr 86 p 2

[Editorial: "Poll on Party Leaders"]

[Text] Confidence in Ingvar Carlsson, the new leader of the Social Democratic Party, is at a record-high level. This is shown by the first poll on voter confidence in party leaders to be conducted by SIFO [Swedish Institute for Public Opinion Polls] since Olof Palme was assassinated.

It is also worth noting that the combined confidence in party leaders has returned in one jump to its level during the 1960's. Can one conclude from this that the 1970's and early 1980's, with their abnormally high level of mistrust of politicians, were an interlude in political history and that relations between Swedes and their elected representatives are now returning to normal?

The situation is exceptional, a fact that calls for great caution in drawing conclusions from yesterday's SIFO poll. It is natural that loyalty to the government should increase when the prime minister has been shot down right on the street.

In Ingvar Carlsson's case, naturally, the figures on confidence also reflect the sharp rise in support for the Social Democrats that appeared in the most recent voter barometer. In addition, commentators in all political camps agree that a new tone has appeared in the political debate with Ingvar Carlsson as Social Democracy Party leader.

It is not surprising that expectations of that kind should be reflected in the confidence felt in him by voters.

While the figures concerning confidence in Ingvar Carlsson reflect the fact that the climate of debate in Sweden has changed dramatically over the past few weeks, the changes in the level of confidence in party leaders in the nonsocialist bloc are the result of events taking place over a longer period.

Like the declining confidence in Ulf Adelsohn, Westerberg's popularity figures are a reflection of what has happened in the nonsocialist bloc between the

spring of the 1985 election year and now. The Liberal Party has continued to ride the wave of success that began with that election campaign, while the Conservatives have continued to move backward.

The SIFO poll on party leaders does not answer the question of which came first, the chicken or the egg. Is the weakening of Ulf Adelsohn's position due to wavering confidence in Conservative policy? Or are the Conservatives having to pay for the fact that confidence in Ulf Adelsohn is wavering?

Nor is any real guidance provided by SIFO's incomplete data on the way in which the party preferences of young voters have changed. The reason is that it is completely normal for the preferences of young voters to shift more quickly and sharply than the average for all voters.

It should be remembered, however, that the events in Sweden over the past few weeks, with the sharp rise in support for the Social Democrats, can reasonably be expected to damage primarily the party that has been the chief opponent of the Social Democrats--and of Olof Palme.

The SIFO poll on confidence in the party leaders is probably raising more questions in the various party headquarters than it is answering. The reason is that paradoxically enough, the poll seems to reflect an unstable political situation even though the large numbers supporting Westerberg and Carlsson might, at least ostensibly, indicate the opposite.

But at least the sympathies of nonsocialist voters seem to be shifting faster and faster between elections. It is obvious that existence is presenting worries for the Conservative leadership. But life for Bengt Westerberg will not be worry free, either, if he is to succeed in consolidating his position with an increasingly mobile body of nonsocialist voters.

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POLITICAL

SWEDEN

VOTERS THINK CARLSSON GOVERNMENT DOING A GOOD JOB

Stockholm SVENSKA DAGBLADET in Swedish 8 Apr 86 p 2

[Editorial: "Government More and More Popular"]

[Text] More and more voters are feeling that the government is doing a good job. According to the latest public opinion poll, 53 percent say they are satisfied with the government's way of running the country and 39 percent express dissatisfaction. That figure can be compared to a corresponding poll 1.5 years ago, when 52 percent were dissatisfied and 39 percent were satisfied.

The poll was conducted by Gallup-NOI [Norwegian Opinion Institute], and therefore covered Norway as well.

Like the Social Democratic minority government in Sweden, the Conservative-led government in Norway succeeded in retaining control of the government in the election in September of last year. Things had been looking quite gloomy for the Willoch government for a long time, but during the election campaign, the Social Democratic opposition's campaign of dissatisfaction with its main strategy was punctured in several respects. It is very evident from the answers to a recurring question in Norwegian opinion polls as to how voters view their government's work--a question that has no direct counterpart in Swedish polls--that the strong advantage enjoyed by the socialist opposition in 1983, 1984, and much of 1985 was being exchanged for confidence in the government as the September election drew nearer.

As always, one should be cautious about putting too much faith in public opinion polls. But the Norwegian polls ought to prove one thing, and that is that in the end, opportunism in politics does not win triumphs in its confrontation with reality.

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POLITICAL

SWEDEN

WESTERBERG HOPES FOR COMMON NONSOCIALIST PLATFORM IN 1988

Stockholm DAGENS NYHETER in Swedish 11 Apr 86 p 6

[Article by Ake Ekdahl]

[Text] Kalmar--Liberal Party leader Bengt Westerberg wants a common nonsocialist election manifesto in 1988. It should include a program that will present the voters with a nonsocialist alternative for government.

In a conversation with DAGENS NYHETER, Westerberg said: "There were voters who doubted that the nonsocialist parties wanted to take joint responsibility for government in the last election. That was a shortcoming, and it was due in part to the Center Party's refusal to join in a common nonsocialist emphasis."

On Thursday the Liberal Party leader began his tour between elections of eastern Smaland as a prelude to the party's spring offensive. He visited a day center for senior citizens and chatted about health care in Vastervik with municipal and county officials with a view to cutting back on government spending in the right way.

In Oskarshamn, he met with small businessmen who wanted to keep nuclear power and with senior high school students who giggled at mention of "the miraculous night." He arrived at the Telecommunications School in Kalmar under heavy police escort after a telephoned threat against his person.

Growing Closer

The nonsocialist election platform that Westerberg intends to work for is to include issues that a new government can bring up quickly after an election victory. A new program for ways to abolish the wage earner funds must be worked out on the same basic principles as the last one, meaning that share capital will be distributed among the Swedish people as savings in the form of stock purchases.

Cooperation among the nonsocialist parties will automatically become closer as the election draws near, says Westerberg, but the party leaders should already be resuming the weekly talks that were abandoned after the Center Party lost its permanent chairman.

The Liberal Party leader believes that the next election will be centered on taxes. Other issues will be freedoms and national growth. The economic crisis will not take center stage this time.

But a problem exists in the fact that the three nonsocialist parties have differing basic views on one of the most important issues in the election--taxes.

"The Liberal Party and the Conservatives do not part company on the question of principles, but only on the pace of reform. The Conservatives want to move forward more quickly," says Westerberg.

Information from DAGENS NYHETER's parliamentary research section on Thursday to the effect that the Liberal Party is one that wants to raise taxes for people in lower income brackets is rejected by Westerberg as incomplete. He explains that the picture changes if one considers the way in which the parties want to finance family policy.

Social Democrats Cause Concern

Like Conservative Party leader Ulf Adelsohn, Westerberg is concerned about how the government can sail through Parliament without some degree of coordination in nonsocialist opposition policy.

Westerberg says: "The opposition has various responsibilities. For one thing, it must pursue a consistent policy of its own, and for another, Parliament must reach decisions that are best for the Swedish people. It is not certain that the latter requirement will be met if the government is forced into the arms of the Communists."

He wants a better coordination of family policy, saying that the Liberal Party made an attempt this winter and that the Conservatives were ready to accept an outline but that the Center Party refused.

"The Liberal Party sees it as its task in the opposition to express objective criticism of the government when doing so is justified, and I emphasize the word 'justified,'" says Westerberg.

Doing so requires a well-founded program in which the party shows how it wants to change existing policy. The Liberal Party is working out new programs of that kind in the fields of health care, taxes, education, and foreign aid.

The programs are to be adopted at the party congress in 1987. Westerberg does not see those programs as presenting any problems as far as participating in a nonsocialist election platform with other parties is concerned.

Westerberg says that at the moment, the Liberal Party is consolidating its position following its election victory.

"Facing up to requirements as though we were a big party when we have a small party's resources presents its problems."

As part of that job of building up the party, Westerberg wants to keep organization, administration, political programs, and parliamentary work within the party itself. He does not want a separation of duties of the kind adopted by the Conservatives this week.

The leadership around Westerberg comprises his closest advisers: Ingemar Eliasson, Birgit Friggebo, Peter Orn, Kerstin Ekman, Bjorn Molin, Jan-Erik Wikstrom, and Karin Ahrlund. Each selected for a particular job. Westerberg holds frequent meetings with them.

Outside the party, he concentrates on trips around the country and on new networks of contacts outside the party, and he emphasizes the importance of teamwork between Parliament and the party.

Of himself he demands an awareness of signals from party workers.

Dissatisfaction with the Liberal Party on the part of Adelsohn, his intended brother in government, is something that Westerberg does not worry about.

Westerberg says: "That much-discussed public affairs program on TV has grown into a Conservative myth. I have no bad conscience over what I said there."

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MILITARY

DENMARK

MINISTRY OFFICIALS, OFFICERS GROUP CHIEF ON PILOT DRAIN

Career Choice Freedom Demanded

Copenhagen BERLINGSKE TIDENDE in Danish 26 Mar 86 p 7

[Article by Nils Eric Boesgaard: "Military Pilots Warn Minister"]

[Text] The pilots' association says that the decline in Air Force preparedness must not lead to interference in career selection by pilots.

The Defense Pilots' Association warned Defense Minister Hans Engell (KFP) today against preventing Air Force pilots from seeking jobs in civilian airlines when their contracts with the Air Force run out. The warning comes in the form of a statement from a meeting of the leadership in the pilots' association.

The background for this is that the Defense Ministry has been trying to find ways to stop the pilot drain that is threatening to paralyze parts of the Air Force. This year alone over 25 combat pilots are leaving to seek jobs with civilian airlines.

Negotiations are in progress between the ministry and the pilots' association to find a solution to the problem. At the same time, the Ministry of Education has proposed legislation to establish a civilian pilot school. It is also testing the idea of the possibility of giving former combat pilots, who have gone over to civilian airlines, reserve duty.

The statement from the pilots' association says that the decline in Air Force preparedness must not lead to interference in pilots' career selection, for example, in the form of pressure on the civilian airlines, as earlier indicated.

The statement added that nine months have now passed since Air Force Inspector General B.V. Larsen expressed his concern about Denmark's preparedness. The pilots' association must note that the ministry has done nothing on this matter.

Minister Attacks Airlines' Attitude

Copenhagen BERLINGSKE TIDENDE in Danish 9 Apr 86 p 13

[Text] Defense Minister Hans Engell (KFP) is surprised at the airlines' negative attitude toward plans for the establishment of a civilian pilot school. But Hans Engell insists that the airlines themselves must finance the costly training.

Defense Minister Hans Engell (KFP) is not urging the airlines to abandon their strong opposition to the plans for a civilian pilot school. "Civilian pilot training is quite clearly in the airlines' own interest, and a boycott of the training will only hurt the airlines themselves," Engell said.

In accordance with the proposal that the Folketing is expected to approve, the training of a civilian pilot will last approximately two years and cost about 1.3 million kroner per pilot in contrast to the approximately ten million it costs to train a military pilot.

The instruction costs of 1.3 million kroner are to be paid by the airlines. This they have flatly refused. Instead they have announced a boycott on the training.

The defense minister said Tuesday that the airlines' need for pilots is so great for the coming year that it cannot be filled even with the greatest possible draining of defense pilots. He stressed that such a development will not be acceptable for the defense forces, either.

Will Have Decisive Influence

"The airlines themselves will have decisive influence on the contents of the new training and on its quality so that we can be sure that the pilots will reach a satisfactory level," Engell said.

The government has chosen to have this training financed by the companies because the training is so costly per student that the state, within the bounds of the present limits on public expenses, cannot undertake the task, Engell pointed out.

Ministry Official Cites Regulations

Copenhagen BERLINGSKE TIDENDE in Danish 14 Apr 86 p 1

[Article by Thomas Uhrskov: "Pilots Leave Air Force to Avoid Being Fired"]

[Text] When pilots are 35, they are retired. Their career choice stands between two to three years more in the Air Force and 25 years as a well-paid SAS pilot.

"We have no way to change the rules," the office chief in the Defense Ministry said.

"This is a completely insane situation. On the one hand defense criticises us because we transfer to the civilian airlines when our contracts run out. On the other hand, we will at any rate be fired a couple of years later -- when we reach 35. And at that point it is often too late to begin a civilian career." This is what many defense pilots said to BERLINGSKE TIDENDE.

Confirmation

Because of their careers, the pilots do not want their names made public, but the office chief, Ole Buch, of the Defense Ministry, confirms that this is actually the way things are.

"The situation is to a great degree unacceptable. We are considering extending some pilots' positions during the present emergency situation. But in this case we would only have a 'one-time arrangement.' We cannot change the rules: Pilots who have not had basic officer training in Jonstrup will continue to be automatically retired when they reach 35," Office Chief Ole Buch said to BERLINGSKE TIDENDE.

Regrets

Ole Buch regrets that up to now none of the defense fighter pilots have chosen to undertake the demanding training at the officer candidate school -- but he understands completely why it does not happen.

"All of the fighter pilots are stationed in Jutland. And they have to move with their wives and children to Zealand to undergo training, which, besides giving a few extra years in the pilot seat, is directed to a great extent toward "flying a desk" -- toward an administrative job, that is. One must understand that these fighter pilots are professional in the real sense of the word: They love to fly and are not happy behind a desk. If they transfer to the civilian airlines, they will fly until they are 60."

Pilot Cut-Off Age Blamed

Copenhagen BERLINGSKE TIDENDE in Danish 15 Apr 86 p 10

[Article by Nils Eric Boesgaard: "Pilots Must Leave at 35"]

[Text] The Air Force has no possibility of holding its pilots. The civil servants are locked out of better jobs and those with contracts must leave.

"The Air Force does not fire its pilots when they reach 35. They leave themselves when their contracts run out, or when they have been offered better jobs," the office chief in the Defense Ministry, Ole Buch, said to

BERLINGSKE TIDENDE.

The fact is that misunderstandings have arisen about the much discussed pilot drain that is seriously threatening Air Force preparedness.

"At present there are two different forms for pilot-officers in the Air Force. There are the civil service line officers, who, besides the actual pilot training, have undergone the academic officer training at the Air Force school for officers in Jonstrup. These officers have the possibility of advancing to the highest positions in the defense forces. To this group comes a number of pilots who have achieved civil servant status on the basis of their experience. All of these can remain in the system until they are retired between 52 and 60, but they can also, like other civil servants, take their leave if they get a more tempting offer from outside." Buch said.

"The other group makes up the so-called contract employed officers who get their pilot training from the Defense Department in return for their service until they are 35, that is, about three years training and ten years on operational service.

"They have therefore not only obligated themselves to do service until they are 35, but have also obligated themselves to leave when the contract runs out.

"The reason for the ending of the period in the Air Force at 35 is that, among other things, the third party in the pilot problematic, the new employer, will hardly take them much older," Buch said.

But if they still want to remain in the Air Force, they can do this by applying for the officer school in Jonstrup, but it is very seldom that this happens.

"The drain of pilots from the Air Force seems to be continuing this year. Since the New Year, 18 have left. Seven have taken their leave effective the end of June, and another 18 are expected to go before the year is out.

The good 40 who are leaving are divided into one-third line officers who have been lured by better working conditions and salaries in the private sector and two-thirds contract employed officers who have passed the age limit of 35.

"A possible solution to the pilot shortage would be to extend the contracts of some of the more experienced contract employed officers for two or three more years in the Air Force. This would mean that preparedness could be upheld and that one would assure oneself of enough pilots to ride out the current storm until the increased entry of student pilots begins to take effect in two to three years. But," Buch continued, "both the defense ministry and the pilots' union agree that this must take place in cooperation with, among others, SAS, so that the pilots are assured employment when they finally leave the Air Force at age 37 or 38."

Pilots' Association Leader Comments

Copenhagen BERLINGSKE TIDENDE in Danish 15 Apr 86 p 13

[Article by Thomas Uhrskov: "The Defense Department Can Stop the Pilot Drain"]

[Text] If the Defense Department stops firing pilots as soon as they are 35, and if SAS will agree to hire pilots a little older, the pilot drain can be avoided. This is the opinion of the leader of the pilots' association. The Defense Department needs some few pilots to take the civil servant route and become "desk pilots."

"If the Defense Department will stop firing pilots the same day they reach 35, and if SAS will at the same time announce that it will hire 38 to 39 year old pilots, then the problems in the so-called "pilot drain" will disappear."

This is what the leader of the Defense Pilots' Association, Major N.G.R. Nielsen, says. But he has not the slightest hope that it will happen, for he thinks that there are several indications that SAS will lower the age limit for newly hired pilots in the very near future.

In theory it is always possible to get a good job with the civilian airlines even if one stays in the armed services until the 35 year limit puts a stop to one's career as a fighter pilot. But the airline companies prefer to hire younger pilots. Therefore there are many indications that the pilots will leave the Air Force as soon as their eight or ten year contracts run out.

"If one stays in the military system, one can only look forward to uncertainty. If one shifts to civilian airlines on the other hand, one not only receives a better salary, but also a future. And above all: In the civilian airlines the pilots are sure that they will be able to fly -- all the way until they are 60," Nielsen said.

Several pilots that BERLINGSKE has talked with think that one of the greatest drawbacks in staying in the military system is the scanty amount of flying. As one of them says, "To cut expenses, we only fly about 180 hours a year, but so that we may be kept busy a whole working day, we are given a few administrative duties. This is all right in its way -- we knew this when we went into the service. But it is understandable that many go for a civilian career if an even greater part of the 'flying' is to take place behind a desk after we reach 35."

Right now it looks as if the problem would be solved if the Defense Ministry would drop its demand for pilots to take two and a half years training at the officer school in Jonstrup. To date no fighter pilot has volunteered to take this training. But it is not as simple as this.

"The whole defense system has need for academically educated pilots, for of course some people must occupy the top administrative posts. If we dropped

the requirement for basic officer training, we would simply not get enough qualified people -- we need a certain amount of desk pilots. Even if it is work that may not directly appeal to the young pilots," Office Chief Ole Buch of the Defense Ministry said.

Problem's Complexities Examined

Copenhagen BERLINGSKE TIDENDE in Danish 16 Apr 86 p 17

[Article by Christian Enghave: "Pilot Drain"]

[Text] Under the headline, "Fired at 35," two articles in BERLINGSKE TIDENDE 14 April say that the pilot problem in the defense forces could be avoided if only the service departure age were raised.

The problem is not quite as simple as the headlines and the content of the articles indicate.

Pilots in the defense forces are not all of one type. The following categories must be differentiated:

1) Line officers, who are engaged as civil servants with a retirement age of 52 or 60 years and who function for part of their career, among other things, as pilots. These officers have a lengthy academic training, which is supplemented by military pilot training. The officers in question (of all services) who undergo a lengthy training commit themselves to remain in the service an agreed upon time after completion of the training. This is called the commitment period. As an officer candidate therefore one enters an agreement binding the person in question for a period after the employer (the state) has paid for the officer training, among other things. The agreements have various commitment periods depending upon the length and cost of the training in question.

The contract that is entered upon before the start of training is based completely upon the employer's desires (it is claimed that there are enough applicants to fill the vacant positions).

2) The other category is made up of the pilots who sign a contract exclusively for pilot training and putting them on a contract basis that ends when they become 35. These pilots are intended to function primarily as pilots during the period of the contract and are, as the articles indicate, neither trained for nor have a great desire to function behind a desk.

The problem for the service with the departure of this category of officers is therefore known at least ten years ahead of time (from the time the contract is signed or when the training is finished unto the pilot reaches 35). This departure is therefore predictable and determined for a very long time.

Then what is the problem?

The departure of the line officers cannot be calculated in the same way, because the departure age, or retirement age, will be either 52 or 60. But it is possible for the officer to leave the service after the commitment period following training has run out. If service conditions or tempting factors outside the service come into play, it is probable that an above average number will seize the opportunity to shift to a civilian job. The right to do this is quite legitimate, because the agreement under which one "works off" the amount that the employer has given for the training is completed, and the officer is therefore "free." From then on the employee may negotiate freely. At present, the employer is not attractive enough to hold the officers he has counted on until retirement age.

Therefore the problem is not quite as simple as it looks at first glance. It must be considered in its totality, including, among other things, income, commitment period, working conditions, and morale. These things should be the objects of closer consideration by the service to determine how to succeed in holding people one hopes to base the future upon. But whether one from the political point of view wants or is able to come to grips completely with this problematic is a totally different matter.

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MILITARY

DENMARK

SOCIALISTS YIELD IN GRANTING DEFENSE PROCUREMENT FUNDS

Copenhagen BERLINGSKE TIDENDE in Danish 18 Apr 86 p 8

[Article by Per Lyngby: "Defense Gets 2.2 Billion Kroner"]

[Text] The Social Democratic Party has yielded and approved 2.2 billion kroner in material to the defense forces. Danish companies are guaranteed participation.

The Folketing's finance committee today approved 2.2 billion kroner for the purchase of material for defense. The Social Democratic Party has, after a month and a half of skepticism about the amount of Danish participation, given the green light for the purchases, which Defense Minister Hans Engell (Conservative) calls "defense acquisitions of the highest priority."

The material package is approved with two conditions, that Danish industry will be involved as much as possible in production and compensation and that the finance committee will be kept informed on the results of the negotiations.

The defense minister told BERLINGSKE TIDENDE that it is quite natural for the finance committee to have an interest in how the monies are administered. And he also finds it natural that for business and technological reasons great emphasis is placed on the possibilities for Danish companies to have a share of the material package. This goes well with the government's policy, Engell added.

The Social Democratic member of the finance committee, Hans Peter Baadsgaard, told BERLINGSKE TIDENDE that the Social Democratic hesitation up to now in giving approval was based on the defense minister's "vaguely" formulated request to the finance committee. The Social Democrats wanted a guarantee that Danish companies would be included in the contract negotiations.

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MILITARY

NORWAY

SECURITY THREAT SEEN IN NORTHERN BORDER AREA'S DEPOPULATION

Stockholm SVENSKA DAGBLADET in Swedish 1 Mar 86 p 5

[Article by Margit Silberstein: "No Fear of 'The Russian' In the North. Relaxed Meetings With Vodka and Saunas"]

[Text] Kirkenes--"It feels as though we are in a play by Chekhov," says Inge Torhaug, the border superintendent in Kirkenes, about his day-long working lunches with his colleague, the KGB-man on the other side of the border. Winter baths, saunas and plenty of vodka are included.

The fear of "The Russian" is not noticable in the depopulated Finnmark area of northern Norway, where the temperature reaches -30°C in the wintertime, and the sun is totally absent from November to January. Up there in the North, Russians and Norwegians have for centuries carried on an active trade which continues to some extent even today. The population of the border city, Kirkenes, counted 328 German bombing attacks during the war. Only 26 houses were left standing at the end of the Second World War. For many Finnmark people the memory remains of the Russians as liberators.

You can see the Soviet Union from the 20 mile long border between the superpower and little Norway, a landscape which is still and barren with an occasional birch. The Pasvikdal is fertile, however. In this fascinating area of the midnight sun there are both bears and virgin forests which are now being protected. The bear is never seen, but he is evidenced by the moose remains he leaves behind and by toppled trees.

Symbolic Protection

The border is guarded by seven stations and patrolled by 500 men on skis or in snowmobiles. There is certainly mobilization preparedness, but many view the garrison as a symbolic defense in case of attack. There are bomb-shelters in the mountain for the entire population of Sorvaranger, which is the name of the district. The garrison chief calls attention to the fact that "We are within artillery range of the Soviet Union."

Border Superintendent Inge Torhaug has his headquarters in Storskog, northeast of Kirkenes. He is a military man but is employed by the Department of Justice. This is a diplomatic device, since his colleague

and opposite on the other side of the border belongs to the KGB and is consequently employed by the Department of the Interior.

Hoisted a Flag

The Superintendents, who act as diplomats of a sort, meet a couple of times a month. The official reason may be a herd of reindeer going to cross the border. Earlier the border chiefs hoisted a flag or fired shots when they wanted to contact each other, but in 1960, the then Prime Minister Einar Gerhardsen brought about a hotline between the two superintendents, who can now just lift their receivers when they want to meet.

Inge Torhaug, who appears quite fascinated by his job, gives a vivid account of what used to occur when he met with his colleague, Alexander Ivanovitsj, who now has a successor.

"We would meet about ten o'clock in the morning and we'd speak in a polite and formal manner. We'd discuss things and sign documents. That took about an hour."

Hail and Well Met

"Then the doors would be opened to another room and we would become Alexander and Inge with each other. A table would be laid in the other room with salmon, caviar, vegetables, sausages and three different glasses for the vodka. And when the vodka appeared, it was not exactly a question of sipping but of drinking. And then we would sit there for hours and eat and drink and talk about philosophy, ballet, history, literature and we'd also give each other presents. It felt as though we were participating in a play by Chekhov.

"After lunch we would agree that the relationship between Moscow and Washington did not make any difference to our peaceful coexistence. By dinnertime we'd agree that Moscow and Oslo were fairly irrelevant."

Winterbaths, saunas and Russian ladies playing the accordion have also been included in the border meetings, which, in other words, started in the morning and finally ended at night.

Buttoned-up Again

"Towards seven o'clock at night, we would button our jackets again, become formal and then we'd try to pass by the honor guard as well as we could."

Inge Torhaug is hoping that he will develop the same good relationship with the new border superintendent who was appointed just a short time ago.

"The social time together is enormously important," says Torhaug, "because it helps us to understand each other."

Tanks on the Way

According to Inge Torhaug, life along the border has been peaceful and undramatic, except for 1968, when the Norwegian border guards discovered a large number of tanks on their way towards the Norwegian border. Large Soviet forces pulled up in position with their weapons aimed towards Norway. There has never been an official explanation from Moscow for that incident.

During the last couple of years, the Norwegians have received a few Russian defectors across the closed border, which is guarded by many more soldiers on the Soviet side than in Norway.

Depopulation Problems

There are only 10,000 people in the border district of Sorvaranger. At a couple of the border stations the average age is 75 years, according to Torhaug. Six Russians live there, they fled to the Norwegian side of the border during the Revolution. All their lives they have lived so that they could look back on their native land and the church in Borisgleb.

The depopulation of the three most northern counties in Norway is considered a security, and defense-policy problem. Only one-tenth of the population lives in all of the northern one third of Norway. Right now, one of the subjects for debate in Norway is regional policy. In Kirkenes, for instance, the whole community is built around an open mine. The population is waiting for information from the government about support for underground operatinn.

Soviet Lures

The Soviet Union on the other hand has a very generous regional policy towards those who live on the Kola Peninsula which is adjacent to Finnmark. In 1920 there were 14,000 people on the Kola Peninsula, today there are 1.2 million. The city of Murmansk, which has one of the few ice-free ports in the Soviet Union, was founded as late as the First World War. Today 400,000 people live in Murmansk. Those who move there have been lured by double wages without higher taxes, free vacations on the Black Sea, and lower retirement age.

In spite of this David and Goliath relationship, the garrison chief in Sorvaranger says:

"We would never leave Finnmark during an attack. We would continue to fight. We are the window to the West and if you were to cross it, you might get cut."

"But," adds Petter Lovlien, the garrison chief, "our greatest value lies in the fact that, during peace time, we are signalling our willingness to fight."

Cold Calculations

The head of the military district of northern Norway, Lt Gen Ulf Berg, admits that the garrison in Sorvaranger is not worth much when it comes to countering a Soviet attack. But the military figures coldly that the Russians would obtain such modest military advantages from an isolated attack on Finnmark that they would rather refrain, considering the consequences if NATO were to come to the rescue.

Does the national defense assume that an attacker would come through Sweden, or does it count on the fact that Sweden would withstand an attack?

"We do not assume that the enemy will come through Sweden, but the possibility does exist as an alternative. If Sweden were to be attacked in Norrland, you would first of all defend yourselves. And then we would have no flank against the Russians. We have to take that into our calculations. It would take a lot to withstand a Soviet attack which would probably result in the road being opened into Norway."

Difficult for Sweden

Sir Richard Lawson, departing NATO chief in Norway, responds to the same question:

"It appears that it would be difficult for Sweden to maintain a strong defense, since weapons are becoming more and more expensive. Nor has Sweden the same opportunities for help from allies such as Norway. If the Soviet Union continues its military efforts, it will become more difficult for a country like Sweden to maintain the credibility in its security policy."



Caption:

The northernmost part of Norway is an area that is being depopulated and the average age is high. On the Soviet side, however, the population has increased because of a generous regional policy.

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MILITARY

SWEDEN

DEFENSE AGENCY DENIES PROBLEMS WITH ELMA ASW DEPTH CHARGE

Secret Report Allegedly Critical

Stockholm SVENSKA DAGBLADET in Swedish 24 Feb 86 p 6

[Article by Erik Liden: "Scepticism Against Elma Depth Charge Despite Statements from FMV"]

[Text] The criticism remains of the Navy's mini-depth charge, Elma, which is intended for use against suspected foreign submarines, in spite of a comprehensive scientific investigation. The Defense Material Works (FMV) has classified the entire investigation and reports that Elma functions well.

The mini-depth charge, Elma, was produced when Soviet visits to our archipelagoes during 1981-82 became more and more obvious. It is fired from naval vessels with the help of a throwing device manufactured by Saab-Scania. Most often Elma is launched in a pattern of up to 32 shots. Elma is manufactured by the state-owned FFV in Eskilstuna and each depth charge costs close to 8,000 kronor. The Navy, so far, has purchased Elma with accompanying equipment for about 50 million kronor. An additional order will be placed this spring for 20 million kronor.

Inform Attackers

"We cannot make Elma's capacity public. That would be telling our eventual attackers what we can handle with our extended submarine defense," says Captain Torbjorn Hultman, head of the underwater weapons department at FMV.

"I can only say, that, so far, Elma has exceeded our expectations. We have had positive results even when firing at older submarines, type Draken."

When Elma strikes a submarine hull, an aimed burst is released which makes a small hole in the hull. Water enters quickly and within a few minutes the sub is forced to rise to the surface.

Ordered Investigation

When Erik Witalis, associate professor at FOA, criticized Elma's performance several times during 1985, FMV decided, on Sep 18, to start an investigation

led by Fritz Bark, professor of hydromechanics at the Institute of Technology in Stockholm. Last fall Bark confirmed to the SVENSKA DAGBLADET that the turbulence of the water surrounding a submarine hull is difficult to manage and may affect foreign bodies of Elma's type.

Witalis' suspicions were and are that Elma would never be able to get into the position, relative to the submarine hull, necessary for a successful detonation.

Secret Report

Bark was originally supposed to have delivered his report on Oct 30 1985. When he was finished, after five months of investigation, on Feb 14, neither Witalis nor the mass media were allowed to study the report. It was classified in its entirety by FMV.

When Captain Hultman comments on the investigation to the SVENSKA DAGBLADET, he reads a single sentence:

"The conditions in effect during the Elma tests have not affected the results of the tests."

This sentence is supposed to mean that the experiments that were made filmed in a water tank are completely reliable.

Criticism from FMV

It is said, however, that Bark required a number of improvements of Elma. For economic reasons FMV has trouble meeting these requirements. After discussion with the Naval Chief of Staff, Maj Gen Torsten Engberg, FMV decided to make the following announcement:

"The Elma system, including depth charges, throwers, and ship installations, is operative.

"The tests that have been performed have confirmed that the system fulfills the expectations and demands that have been made.

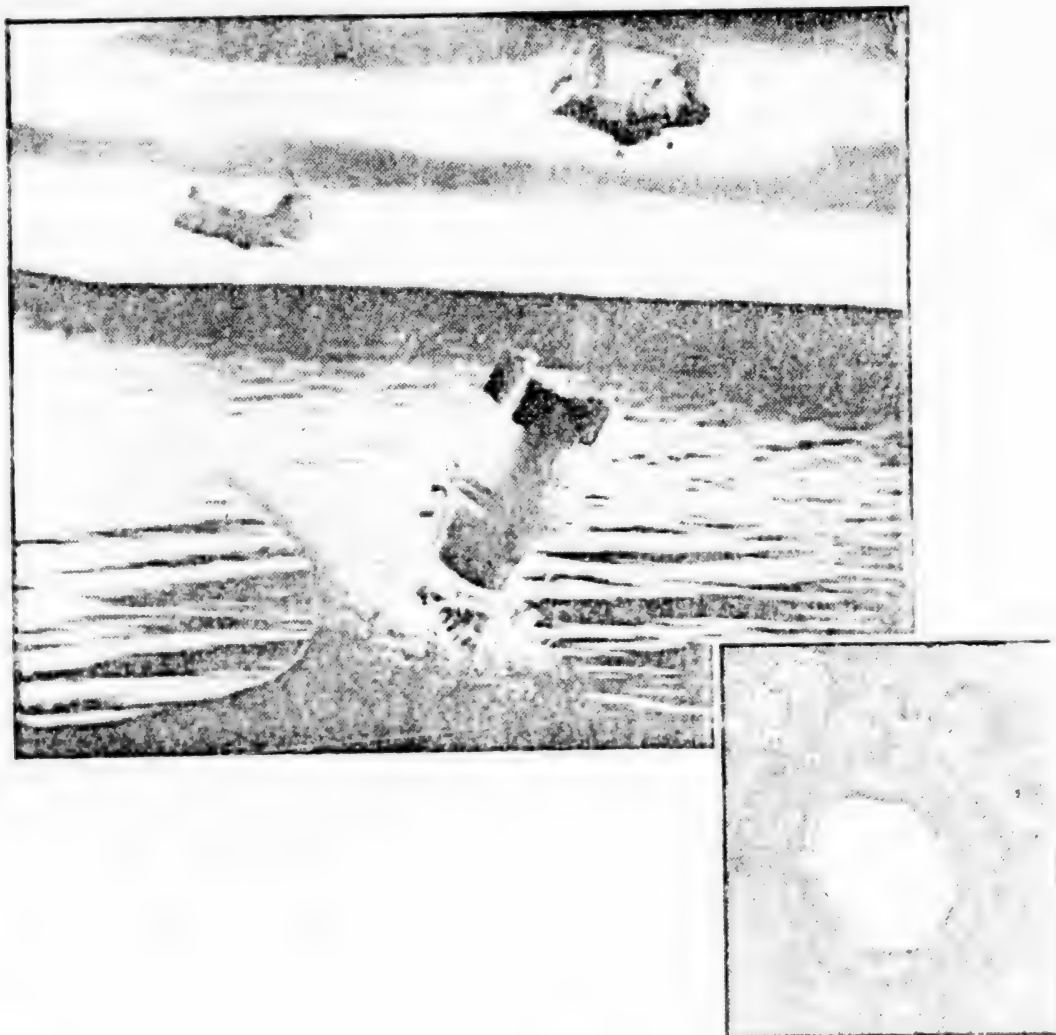
"The tests have been performed under realistic and representative conditions both in model as well as full scale tests."

When the criticism of Elma led to a scientific investigation, representatives of FMV criticized Witalis and the SVENSKA DAGBLADET for unfounded attacks on a new and satisfactory submarine weapon, in the ESKILSTUNA-KURIREN among others.

FMV maintained that the investigation would demonstrate Elma's excellence.

"I find it remarkable that the criticism of a vital part of our submarine defense is not answered in public," says Hans Schoier, editor-in-chief of the ESKILSTUNA-KURIREN, who is also chairman of the Committee for Freedom of Speech.

"If FMV has facts that prove the ability of Elma, those facts should be reported to the Swedish people immediately. The secretiveness will not increase the confidence in our defense."



A test shot with the Elma shell in a Draken-class submarine has penetrated through the pressure hull and the ordinary submarine hull, and has made a hole which is approximately seven centimeters in diameter. The Defense Materiel Agency will not disclose how deep the hole is.

The photo on the right of the shot hole was taken from the interior of the submarine looking out toward the surface of the water. According to the Defense Materiel Agency, Elma can even handle varying hulls of modern submarines with good margin.

Agency Denies Problems

Stockholm SVENSKA DAGBLADET in Swedish 26 Feb 86 p 17

[Article by Erik Liden: "Elma-Criticism Rejected by FMV"]

[Text] The defense Material Works (FMV) has taken an unsympathetic attitude towards the criticism aimed at the anti-submarine depth charge, Elma, especially after the new tests that were performed at the Institute of Technology, KTH, in Stockholm.

"Apart from the critical viewpoints aired in the SVENSKA DAGBLADET on Feb 24, FMV has not heard of any criticism of the operative value of the Elma-system," says Captain Torbjorn Hultman, head of the underwater weapons department at FMV. "After the report from KTH, we at FMV are convinced that the criticism of the earlier Elma tests, arranged by FMV, can be eliminated.

"The report from KTH, which has been classified, does not contain any suggestions or requirements for improvement of the Elma depth charge.

"FMV and the naval staff are satisfied with the Elma system. The tests, which were carried out under realistic conditions both by FMV and KTH, have fulfilled the expectations," says Captain Hultman. "It is obvious that the report must be kept secret, especially since it contains technical information about the weapons system that is of vital interest to an eventual attacker.

"To publish such a report openly, can neither increase the confidence in our defense, nor be in the best interest of the citizens," emphasizes Torbjorn Hultman. "Our intentions the whole time have been to give information on the Elma system as far as secrecy allows."

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MILITARY

SWEDEN

PILOTS, TECHNICIANS, OFFICERS QUITTING SERVICE EARLY

Air Force Pilots' Complaints

Stockholm DAGENS NYHETER in Swedish 3 Apr 86 p 6

[Article by Anders Ohman]

[Text] In negotiations with the National Collective Bargaining Office (SAV), which are entering their final phase today, Air Force pilots are being offered better flight pay, special bonuses for signing contracts, and an early retirement age of 55 years.

With this offer, the government hopes to stop the exodus of pilots from the Air Force to the civil airlines. About 40 pilots have resigned since the beginning of the year. At least as many others have asked for leaves of absence.

"Our goal is to see pilots who leave the Air Force suffer a severe initial pay cut on the order of 7 to 8 thousand kronor," said Arne Soderberg, ombudsman for the Officers' Association, which is a member of SACO/SR (Swedish Confederation of Professional Employees--National and Local Civil Servants Union).

The pilots' union and its counterpart, the National Collective Bargaining Office, are meeting today in an attempt to reach a final resolution.

Behind this effort is strong discontent among Air Force pilots, who see themselves as being under a professional ban. Until 1987, only 10 pilots will be permitted to leave the Air Force and seek jobs with the civil airlines. That stipulation was contained in the government's budget proposal, which was put forward in February. Before that time, 25 pilots were permitted to leave by the end of 1985. The pilots took an extremely negative view of this extension. About 40 pilots resigned and at least that number requested leaves of absence.

"Our members, who form the spearhead of the military in case of war, suddenly felt that the spear had been turned against them. This was contrary to democratic principles. They want to have a choice in a free labor market and not have to work under coercion," Arne Soderberg said.

Since February, no more pilots have resigned or asked for a leave of absence. The future will now depend on whether or not the two sides can reach an agreement.

An Air Force pilot earns between 13 and 15 thousand kronor per month after about 10 years of service. At that time, he is 30 to 35 years old and is most attractive to the civil airlines.

A civil pilot at SAS with 10 years of service earns about 25,000 kronor per month.

An Air Force pilot who goes over to a civil airline first receives a trainee's salary, which is below his previous salary. His wages soon begin to rise rapidly, however, as he serves more and more years and he soon begins earning more than he did in the Air Force.

Pilots Organization Rejects Proposals

Stockholm DAGENS NYHETER in Swedish 4 Apr 86 p 6

[Article by Anders Ohman]

[Text] On Thursday evening, the Air Force pilots' union, the Officers' Association of SACO/SR, rejected an offer from the National Collective Bargaining Office, which would have given younger pilots an additional 5,000 kronor per month if they agreed to stay in the Air Force for 10 years.

The offer also included a lower retirement of 55 years and better flight pay.

The pilots' union rejected the government's offer because the additional 5,000 kronor would be taken away after the contract period of 10 years had run out. Also unacceptable was the state's demand that the additional wages apply only to pilots with fewer than 20 years of service. Older pilots would not receive the additional pay.

More Money

"We are dissatisfied with this offer. The government has not met our demands," Arne Soderberg, ombudsman for the pilots, told DAGENS NYHETER.

The pilots' union wanted a higher raise, 7,000 kronor, during the 10-year contract period. They also want to receive this additional amount after the contract has expired.

The government offer included an additional 5,000 kronor, but that sum would disappear after the 10-year contract had run out.

"I do not understand how the government can believe that a pilot would obligate himself to 10 years of service, knowing that his pay would be cut by 5,000 kronor at the end of that period," Arne Soderberg said.

Older pilots who have flown more than 20 years are not affected by the state's wage offer, nor are pilots who have quit flying and taken office jobs.

Should Apply To All

"Our demand is that the wage increase should apply to all pilots," Arne Soderberg said. He sees the state's offer as determined by the current state of the economy--a temporary measure.

The Officers' Association Wants a permanent solution, but believes that the two sides are still far apart.

The National Collective Bargaining Office has been given the task of finding a solution that will stop the exodus of Air Force pilots to civil airlines. Since the beginning of the year, about 40 pilots have resigned and at least that number have taken a leave of absence.

Professional Ban

There is much dissatisfaction among the pilots, who believe they are victims of a professional ban, since the government has set a limit of 10 pilots who will be permitted to leave the Air Force between now and 1987.

On Thursday evening the negotiator for SAV, Lars Tannerus, was unavailable for comment. It was also unclear as to whether or not the negotiations would continue.

Pilot Union Explains Stand

Stockholm DAGENS NYHETER in Swedish 5 Apr 86 p 7

[Article by Anders Ohman]

[Text] New contacts will begin on Monday between the two sides that are negotiating a wage increase for Air Force pilots. The negotiations were broken off last Saturday night.

The pilots' union, the Officers' Association of SACO/SR, is standing firm on its demand that the 10-year contract with wage increases apply to all pilots and that the solution be permanent.

The National Collective Bargaining Office sees the contract as a temporary solution to the shortage of pilots within the Air Force. According to the state's offer, a pilot with 12 years of service after basic training would receive just over 20,000 kronor per month.

The National Collective Bargaining Office also wants the negotiations to mention the hazardous pay bonus that amounts to 350,000 kronor for a pilot at the age of 38 years.

"The government is responsible for paying this money, so we believe it is reasonable that this be mentioned," said Lars Tannerus, director of negotiations.

The Officers' Association of SACO/SR rejected the state's offer on Thursday. The other pilots' union, TCO-S (Central Organization of Salaried Employees National Government Civil Servants Section) was also critical of the employer's offer to the pilots.

'Provisional'

"The employer's offer of a pay raise in the negotiations includes no guarantee that there will be a wage increase for pilots. What they are proposing is a provisional and limited compensation that can be withdrawn by the employer as soon as the worst of the pilot crisis is over," TCO-S said in its comments on the offer.

The pilots' union is demanding that the government drop the present recruiting regulations placed on SAS and Linjeflyg. The pilots themselves must be able to choose between contract work and regular employment. According to the recent offer, the government would distribute the contracts as it saw fit. This is unacceptable to TCO-S.

The government's offer means that a pilot must have 21 years of service, the last 19 years of which were on contract, to retain even 50 percent of the additional wages, once the contract period is over. The pilots' union demands that the pilots retain the higher wages as long as they are flying.

Critical

The Officers' Association of SACO/SR has similar objections to the offer from the National Collective Bargaining Office.

"I cannot understand how the state believes it can convince pilots to stay by offering them lower wages," said Arne Soderberg, ombudsman for SACO/SR.

The pilots, who are formally public employees, are negotiating under a no-strike rule. Thus, their possibilities for action are limited. In an escalating conflict, with the threat of a strike, the government could declare such action dangerous to society and prevent it.

The two sides are furthest apart on the question of whether the contract should be a permanent solution to the pilots' wage needs or a temporary measure resulting from the fact that about 40 pilots have resigned and a similar number has requested leaves of absence.

"As long as we are threatened by the need for pilots at SAS and Linjeflyg, we must create a solution. I see this as an acute measure. If other conditions arise, then the picture may change," said Lars Tannerus, director of negotiations for the National Collective Bargaining Office.

Paper Comments on Dispute

Stockholm DAGENS NYHETER in Swedish 5 Apr 86 p 2

[Editorial: "Loss of Air Force Pilots"]

[Text] Dissatisfaction among combat pilots is in danger of developing into a security problem. Major personnel losses, regardless of whether they occur through recruiting by civil airlines or by mass resignations in protest, can result in the inability of the Air Force to carry out its peacetime assignments.

A contract solution that would permit pilots to go to civil airlines after a certain number of years is preferable to the quota system now in use, whereby the airlines are permitted to recruit only a certain number of pilots from the Air Force each year. With this arrangement, it is understandable that there are protests coming from pilots who are in danger of becoming too old to be employed by civil airlines.

But the pilots have been trained at the expense of the Air Force and some of them are now being offered an additional 5,000 kronor per month. It is not unreasonable that, in return, they would be required to stay in service for a contract time of 10 years and only then seek employment at SAS or Linjeflyg, for example. On the other hand, the pilots are justified in their demand that all pilots be offered a contract and that those who remain in the Air Force retain the additional wages, even after they turn 40 and are no longer considered suitable combat pilots and are given other assignments.

Of course, the Air Force can never approach the annual salaries of about 400,000 kronor offered by the civil airlines, but even a dangerous occupation is attractive to some people, as long as their working conditions are seen as reasonable. When the two sides meet again on Monday, they must reach an agreement as soon as possible, so that the long, drawn-out pilot protest can come to an end.

Pilot Drain

It is obvious that the state must do something to retain combat pilots whose training is so expensive, according to UPPSALA NYA TIDNING (Liberal).

"It has been proposed that pilots should sign a contract with the Air Force promising to remain a certain amount of time, after which they would receive a bonus. In this way, they would retain more pilots, it is said. The problem with this is simply that this bonus, together with the total annual salary over the contract period, must surpass the corresponding salary at the civil airlines--an expensive proposition for the state."

"On the other hand, however, it is perfectly obvious that there is no inexpensive solution for the government, if it cannot count on a helping hand from some other source. It is conceivable, for example, that the civil airlines could train their own pilots, which would mean less pressure on pilots trained by the Air Force."

Technicians Fleeing From Forces

Stockholm DAGENS NYHETER in Swedish 9 Apr 86 p 6

[Article: "Technicians Fleeing Military"]

[Text] Now aircraft technicians are also leaving the military because of the low wages. On Tuesday 13 technicians at the F 16 wing in Uppsala sought civilian jobs through an ad in DAGENS NYHETER.

"That is fine. The wage differential between civilian and military aircraft technicians has become so great that it has become ridiculous," said Roland Lundblad, president of the aircraft technicians union at F 16.

The ad is a result of prolonged dissatisfaction among technicians at F 16 and other wings throughout the country.

"The National Collective Bargaining Office is only interested in the pilots at present and refuses to discuss the wage demands of the aircraft technicians. That was the final straw," said Roland Lundblad.

TCO-S is demanding an additional 1,500 to 2,000 kronor per month for the aircraft technicians. This demand was rejected by the National Collective Bargaining Office (SAV).

The wage increase would be linked to a certificate that aircraft technicians receive after passing various exams. A civilian technician with a certificate automatically receives more pay. In the Air Force, the certificate has no effect on pay.

On Tuesday interested employers answered the ad run by the 13 job-hunters. If they quit at F 16, only eight aircraft technicians will remain. There should be 30 technicians there.

Officers' Financial Difficulties Illustrated

Stockholm DAGENS NYHETER in Swedish 6 Apr 86 pp 36-37

[Article by Lars Ramklint]

[Text] Four years ago parliament decided that the military had to reduce its personnel over the next 10 years.

Today the military's headache is that the reduction has proceeded too rapidly. There are already about 500 fewer officers than the final goal of 17,300 for 1992--and it appears that this reduction will continue.

In 2 years 1,600 officers have left their profession early. The training of new officers will only offset the anticipated attrition due to retirement. It takes 3 years for increased admissions to officer training schools to take effect.

The shortage of officers is already a major problem at many units.

Those who are quitting are more and more often high-ranking officers with a long period of training behind them.

Out of 15 years in his profession, a lieutenant colonel has used half that time to attend training courses. He represents a cost of several million to the military. It is easy to understand why personnel questions have been given much attention by military leaders. Acute measures are now needed to stop the exodus from the military.

What is it that makes an officer hang up his uniform and seek a new profession?

If you listen to officers at the regiments and staffs, you can compile a long list of reasons.

There are officers who believe that the debate should deal with confidence in the military's ability to fulfil its obligations during a war. These officers have contributed frequently to the debate, especially in the daily press. For them, the goal is to make the politicians reevaluate our defense policy and appropriate far greater resources for the military.

But there are many more who point to working conditions. They believe that the wages are poor and that their employer is stingy when it comes to solving their practical problems, which result from their profession's requirements for frequent transfers and long stays away from home.

In addition, so much has been said about cutbacks, shutdowns, savings, and cost reductions that the debate has affected motivation and morale. The same mood may be found at a company that is operating at a loss and is in danger of being shut down.

A Vicious Circle

There is a general feeling that, when it comes to solving problems involved in training and planning for war, the demands placed on officers have not been adjusted to their reduced resources. The military has reduced its personnel by 8,000 in 10 years, but still has the same tasks as before.

Undermanning leads to a vicious circle in which the strain on the remaining officers increases and makes even more officers think about quitting.

Many officers point out how positive today's inductees are and how bitter it feels to be unable to give them the leadership they deserve. Surveys have shown that the positive attitude the inductees have when they are drafted flags during their training.

The officers are irritated by not having enough fuel or ammunition to carry out the exercises they believe are necessary for training.

Nor are they always equipped with modern materiel.

"You feel like a fool carrying around a 12-kg radio, knowing that every moose hunter in the country has better equipment," one officer said.

The fact that many units have been closed down is another source of uncertainty. During the 20-year period of 1972-1992, the military will have closed down 15 to 20 facilities. Who would dare purchase a house if there is a danger that the unit in one's home town could be closed down?

Younger officers, in particular, are uncertain over their future prospects in a shrinking peacetime military organization.

They have not been calmed down by Defense Minister Roine Carlsson, who said that the military was not an industry in crisis and that the demands for restructuring were no different than those at SJ (Swedish State Railroad System), the shipyards, the steelmills, or the mines.

In addition to all these sources of dissatisfaction, there is dissatisfaction with the wages.

The salaries of professional officers have not kept pace with other salaries in society. Their training is long and often there is great demand for their skills in the civilian sector. Most attention has been devoted to the pilots, but the situation is similar for officers with technical training. Many officers are highly skilled in electronics, in particular.

After 11 years a lieutenant has a final wage of 9,000 kronor and a captain 9,600 kronor. The final pay of a policeman is higher than that of a captain. Industry pays several thousand more per month to a skilled technician.

After leaving the military academy, an officer who advances to the rank of major receives 9,800 kronor per month.

After an additional 2 years at the military academy an appointment as lieutenant colonel will give an officer as little as 11,500 kronor per month or as much as 14,300 kronor as chief of staff at a large regiment. A regimental commander receives a starting salary of about 15,500 kronor.

Market Wage Bonus

When the drain of pilots and technical specialists became severe, the National Collective Bargaining Office began offering so-called market wage bonuses in order to compete with private business. This is enough money to give about 150 persons in key positions individual bonuses of up to 3,000 kronor per month.

The military leadership is now acting to improve wages. The commander in chief has held talks with the professional organizations that are involved. Some of the problems are believed to have arisen because the regulations have not suited the profession. Consequently, it is hoped that the situation will improve once a special military section has been established at SAV.

The military would like to assume more responsibility for the employment of officers and conduct these activities on the unit level.

"I can promote a lieutenant colonel, but I cannot grant him a travel allowance for his long-distance commuting to the base at which he is stationed," said Johan Palmgren, personnel chief at the Army Staff.

The clumsy regulations that apply to transfers are among the greatest concerns for officers and their families.

The military leadership expects an officer to be prepared to transfer every 2 or 3 years. Alternating service with the staff and with the units is part of his career, as is training at schools away from home.

If these transfers are a necessary part of a military career, it might be expected that the military would do everything possible to facilitate transfers for the officer and his family.

Instead, the bureaucratic machinery seems to be grinding very slowly--and it seems to be extremely unsensitive in certain individual cases. At the same time, other sectors of society have made decisions that have made life more difficult for officers.

Parliament decided to close down free accommodations for officers living away from home and municipalities have introduced local priorities for many jobs previously favored by wives, such as jobs in schools, libraries, and hospitals. If the wife has a government job, she is usually not permitted to take a leave of absence for several years to go with her husband. Instead, she must resign.

Each year transfer problems affect about 2,000 officers during training and 700 by new assignments.

Long-Distance Commuting

In many cases, when it is impossible to arrange a new apartment or job for the wife, then long-distance commuting is the officer's only solution. The military is Linjeflyg's biggest customer, with officers who serve year after year at regiments and schools throughout the country, but whose families remain in the Stockholm region. At the same time, there are more and more vacancies in Boden, Karlskrona, Kristianstad, Skovde, and Ostersund, since many officers turn down promotions to assignments that would require long-distance commuting.

There is too much stress on him and his family. Commuting is also a poor solution for the military. Of course, it is desirable for a regimental commander to live in the same town as his unit and represent his regiment in society. For the sake of preparedness, it is also not advisable for a large number of officers to leave the regiment over the weekend.

Commuting is also an expensive solution for the military. Trips and travel allowances can cost about 200,000 kronor per year for an officer who lives in Stockholm, but serves in Boden. There are now several hundred long-distance commuters.

The Personnel Commission of the Armed Forces has now been called on to see if, instead, it can facilitate the possibility of the wife's moving with her husband, for example, by guaranteeing the family income, paying for any loss incurred by selling the house, adjusting the time at which a transfer takes place, etc.

The commander in chief will also investigate the possibility of limiting transfers by increasing opportunities for local careers. Work assignments may be moved from the central staff in Stockholm to other base towns.

Loyalty Conflict

Officers who have already taken the step over to private business confirm that there was no lack of will to defend their country or shortage of values held in common with the military behind their decision.

On the contrary, many experienced leaving their officer's career as a difficult conflict of loyalty. The decisive factor was the disadvantages to the family that would have resulted from continuing to work as officers.

The decision became much easier when they believed they had encountered closed minds and an unwillingness to discuss deviations from principles and regulations when they attempted to find a solution within the military.

In private business the work is harder and it is more crowded, but it is also possible to move forward faster in a career and move up in pay more rapidly.

Not everyone can make the change, however. For some, the absence of a given position in the hierarchy has been so difficult that they have returned to the military. There, at least, the stars on your coat collar prove that you are someone.

Meager Environment For Officer 'Out Of Town'

The furnished single room is all the way up under the slanting roof of the apartment building on Kungsgatan in Boden.

The few pieces of furniture do not seem to go together.

There is a light beige sofa, a white table, and a red armchair. There is a bed along the only straight wall where the ceiling is high enough for a person to stand.

This is the type of housing the military offers the battalion commander at S 3. This is what a person can rent for 1,340 kronor per month, the maximum sum set by the military. For 3,000 kronor of his own money, Lieutenant Colonel Lennart Johansson has tried to make his room more pleasant. He has purchased his own TV and, of course, the large color photographs of his three children and his wife, who still live in their row house near Uppsala.

Lennart spends his evenings here 2 weeks at a time between his free trips home every 14 days.

Lennart is one of several hundred officers serving at regiments and schools throughout the country who have had to leave their families at home. With two people working in the family, long-distance commuting is often the only solution when the military career requires service in another town. In Lennart's case, the children's schooling and the family's own row house were additional arguments against moving.

Lennart is one of about 150 general staff officers. This means that he can hope for a career in the highest military positions. He knows that his position in Boden is temporary and that his next position will be back at one of the central staffs in Stockholm.

Inductees Positive

Today he is a lieutenant colonel and, as battalion commander, he is responsible for the basic training of over 400 inductees. He has 55 officers under him.

A position of this type is a prerequisite for being promoted to colonel.

Lennart really enjoys his job. He speaks with enthusiasm about how positive and ambitious this year's inductees are. He is pleased to be working with knowledgeable and friendly officers at S 3. He likes the environment in Norrland, but he makes no secret of the fact that he and his family are paying a high price for making this work possible.

The military should probably do more to take care of its most valuable asset, its personnel, as the army chief likes to say in his speeches.

It is not only the boredom of the room in Boden that hurts.

It actually costs Lennart and his family several thousand kronor each year they must live apart.

To his astonishment, Lennart learned that his annual salary would be 16,836 kronor lower when he moved from his staff position in Stockholm to S 3 in Boden.

Here he is the assistant to the regimental commander and, thus, the second highest officer. But his salary--11,691 kronor per month--places him only in seventh position at the regiment. Since he does not have his permanent residence in Boden, he also loses the cold-climate allowance of almost 500 kronor.

In addition, the family has increased expenses because they must hire people to do various odd jobs around the house that Lennart would do himself if he were living at home.

Family In Bind

Lennart is most critical of the regulations concerning free trips home. He points out that inductees, who are drafted for 9 to 15 months, may travel home free each week, while he and other long-distance commuting officers may travel home only every 14 days.

Lennart is not complaining for his own sake. It is his family that is in the biggest bind, he said.

But, of course, Lennart also suffers from the disadvantages.

His colleagues in Boden have been friendly and invited him home but, as he stated, it is impossible to hang around them and their families without being able to return the favor. His single room, which the military budget permits him, does not even have coffee cups for him to invite the company commanders over for coffee.

The signal troops are a small branch. The training of officers contains a high level of technical knowledge, which is also valuable on the civilian market.

Of Lennart's 12 fellow students at the higher courses of the military academy, half have now gone over to private business. They have increased their salaries by about 6,000 kronor per month, according to Lennart.

"I do not believe any of them quit because they did not like the military. On the contrary, I have heard that they miss the esprit de corps and the variety of tasks they carried out as officers."

"Several thousand more in wages did not make the difference, but 6,000 kronor plus the possibility of leading an orderly social life--out of consideration to your family, you just cannot turn it down," Lennart Johansson said.

Shutdown of Units from North to South

Lv 5 Sundsvall	1982
P 1 Enkoping	1980
F 1 Vasteras	1983
F 2 Hagernas	1974
F 8 Barkarby	1971
F 18 Tullinge	1986
K 1 Stockholm	1984
T 1 Linkoping	1984
S 2 Karlsborg	1984
F 3 Malmen	1974
F 9 Goteborg	1969
F 11 Nykoping	1980
F 12 Kalmar	1980
A 6 Jonkoping	1984

Relocation of Units

K 4 from Umea to Arjeplog	1980
S 1 from Uppsala to Enkoping	1982
I 1 from Sorentorp to Kungsangen	1970
Ing 1 from Frosunda to Sodertalje	1970
K 3 from Skovde to Karlsborg	1984
Lv 4 from Malmo to Ystad	1982
P 7 from Ystad to Revinge	1981

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MILITARY

SWEDEN

INDIA GIVES BOFORS SWEDEN'S BIGGEST ARMS EXPORT ORDER

Four Hundred Howitzers Ordered

Stockholm DAGENS NYHETER in Swedish 2 Apr 86 p 10

[Article by Olof Dahlberg]

[Text] There was official confirmation on Tuesday that Bofors has won the largest single export order in its history. Over the next 5 years, the firm will deliver a field artillery system with about 400 howitzers to the Indian Army. The order is worth 8.4 billion kronor.

The order is expected to provide employment in Swedish industry for between 2,000 and 3,000 people during the life of the contract, and 40 percent of those will be employed by Bofors. This means that the situation in the firm's shops in Karlskoga has changed drastically. Bofors issued layoff notices last fall, but those notices are now being canceled. At the same time, the management at Nobel Industries, the parent firm, estimates that Bofors will have to hire an additional 350 hourly workers and 100 clerical employees.

The negotiations concerning this giant order began as far back as 7 years ago. Six countries were in on the bidding at the start. Since last fall, the contest has been between the French defense conglomerate GIAT and Bofors.

Credit Support

Anders Carlberg, managing director of Nobel Industries, told DAGENS NYHETER: "Three factors led to our eventually winning the order. From the standpoint of quality and performance, we were at least equal to our competitors. Our price was made competitive as a result of the credit support we received from the Swedish state. In the end, the Indian party obviously felt that political considerations made it worthwhile to give the order to Sweden.

Linked to the 8.4-billion-krona order is an agreement for production of the artillery system in India under license.

Preliminary studies on how that licensed production will get underway will start immediately.

Martin Ardbo, managing director of Bofors, says: "The licensing agreement means that in the long run, the Indians will be entitled to produce as much as they want for their own use. It is likely that they will make as many guns as they buy from us." He has devoted a great deal of his time in recent years to the negotiations with the Indian Army.

Stock Price up

Carlberg and Ardbo both admitted on Tuesday that the order could not have gone to Sweden without financial and political support from the government. Among other things, the order was discussed when Olof Palme visited Indian Prime Minister Rajiv Gandhi in January.

Not until last fall did Bofors receive approval for government export credits on the same terms as other Swedish firms. The arms industry did not enjoy the same advantages before that. Bofors does not want to disclose the exact size of the export credit guarantees the firm has now received. But they probably amount to at least 2 million kronor.

Trading in Nobel stock was halted on Wednesday and Thursday of last week after it was leaked in the Indian press that the deal had gone through. When trading resumed on Tuesday, the price of both Nobel stocks rose by 50 kronor.

Top executives at both Nobel and Bofors stated last week that they did not know whether the order had been won or not.

But Anders Carlberg admitted to DAGENS NYHETER on Tuesday: "We knew at the beginning of last week that we had the order. But the Indians requested very strongly that we refrain from announcing it until after Easter. We felt constrained to comply with their wishes. To avoid speculation, we halted trading in our securities."

In Tuesday's communique concerning the big order, Nobel Industries altered its recent forecast for 1986. That forecast had simply said that results would improve. But because of the new order, the firm's management now expects its results to be "considerably better than in 1985."

Other Countries

One reason why the order may affect the firm's results even this year is that Bofors produced a number of howitzers in advance so as to have them ready in case it got the order. Anders Carlberg declined to say exactly how many, but there may be as many as 60.

Martin Ardbo said on Tuesday, however, that Bofors had "taken an enormous risk" in manufacturing the 170 million kronor worth of materiel that is now in storage and as good as ready for delivery.

Martin Ardbo said that if Bofors had not won the contract, those guns probably could have been sold to other countries, and he disclosed that the 77B field howitzer had been sold to other countries as well as to the Swedish Armed

16 May 1986

Forces. But he declined to say which countries. The firm also has other big deals in the works--with Canada, for example.

A pleased Martin Ardbo said: "We hope that thanks to the Indian order, this artillery piece has now been established as the world's best gun."

The deal means a lot to Bofors, but it will also have a ripple effect in other Swedish firms. Of the 12,000 man-years expected to result from the order, 55 percent will go to engineering firms other than Bofors, and from 20 to 25 percent will go to the steel and electronics industries. Subcontractors include such firms as Saab-Scania (the vehicle), Swedish Philips (the sighting equipment), and a large number of engineering firms such as Uddcomb in Karlskrona, Nohab in Trollhattan, the Motala Shops, and others.

Bofors has also promised the state that it will assign as much subcontracting work as possible to Bergslagen. As one example, it is estimated that jobs for up to 50 employees will be created in recession-stricken Storfors.

Deal Criticized

"We assume that the government will not grant an export permit, thus stopping the deal," says Lars Angstrom, chairman of the Swedish Peace and Arbitration Association. "The alternative is for the government to violate the guidelines on arms exports that were decided on by Parliament."

Ambassador Inga Thorsson is also very critical of the deal:

"For the life of me, I cannot see that India meets the criteria for Swedish arms exports, no matter how sympathetic Swedes are toward India."

Paper Expresses Concerns

Stockholm DAGENS NYHETER in Swedish 2 Apr 86 p 2

[Editorial: "Big Order From India"]

[Text] The order for Swedish-manufactured field artillery for India is in a class by itself. The sale involves more than just the largest export deal ever for Bofors and one of the largest in the country's history. It also means that the government has committed itself, politically and with credit support, in a way that has no counterpart in the Swedish arms trade.

Practically all Swedish arms deals--with the possible exception of those with neighboring Nordic countries--have stirred up debate. And the same is true of this very large export worth 8.4 billion kronor. According to the rules, permits are not to be granted for the sale of weapons to states which are involved in an armed conflict or in an international situation that might result in such a conflict or which are experiencing internal violence.

India has certainly fought several wars with its neighbors. Relations with Pakistan are not problem free even at their best. If worse comes to worst,

the crisis in Sri Lanka may be internationalized. Kashmir continues to be a sensitive area. And in Punjab, the central government is finding it increasingly difficult to keep the situation under control without using military force.

Over against that, the Swedish Government probably weighed such factors as the circumstance that India is a democracy and that Sweden and India cooperate internationally--the five-continent initiative being one example. Anyone who is not opposed to all Swedish arms exports as a matter of principle but who, taking our country's own needs into account, accepts a certain level of controlled exports, must say that the final decision in the Indian case is understandable. A more precise political assessment of risk is not possible.

An export permit from the government can be taken for granted, seeing that Olof Palme personally went to considerable effort in a situation of stiff international competition to ensure the success of the deal. Without credit support, the deal quite simply would not have come to anything! The state is now granting Bofors an interest subsidy--a tie between the two that seems open to some objection.

Nobel Industries brought about its close cooperation with the state by offering an increase in job openings at Bofors and among its subcontractors, especially in hard-hit Bergslagen. Swedish conglomerates have learned how to operate the grindstone. Here everything is tied together: the state with big business and the arms trade with employment.

The big order from India means that Bofors is avoiding a difficult gap in its workload. It is to be hoped that this newly provided breathing space will be used to further diversify the company's production.

For a firm which is the subject of a police investigation--it is accused of unlawfully supplying missiles to Bahrain and Dubai by way of Singapore and of smuggling gunpowder--and which has a fiasco in the United States (DIVAD) behind it, success is naturally important. With the government's support, it has found a market for a complete system surrounding an artillery piece that is superb in its category. India's requirements for ammunition and other things will lead to increased Swedish know-how which may, in turn, be useful to the Swedish Armed Forces.

And may the assessment of developments in India be such that the deal will never become a big worry for Sweden.

Communist Leader Opposes Deal

Stockholm DAGENS NYHETER in Swedish 3 Apr 86 p 8

[Text] "We agree with Inga Thorsson and other Social Democrats and view with great concern the fact that considerations of trade policy are apparently being placed above not only matters of security policy but also those of peace policy." So said Lars Werner, leader of the VPK [Left Party-Communists], in a statement on Wednesday concerning Bofors' big order from India.

"It is very remarkable that the government has committed itself, both politically and economically, to the support of that Bofors order. They are putting up 2 billion kronor in export credits and willfully misinterpreting the Swedish Arms Export Law."

State Credit Guarantee

Stockholm DAGENS NYHETER in Swedish 3 Apr 86 p 1

[Text] Credit guarantees by the Swedish Government cover almost all of the big arms order that Bofors has received from India. This is the first time the state has stepped in to guarantee an arms order to such a great extent.

Acting through the Export Credit Guarantee Board (EKN), the state has guaranteed 7 billion of the 8.4 billion kronor making up the total order.

Bofors had to pay an unknown premium in return. But the danger that the EKN will have to step in and cover any losses experienced by Bofors is not considered great. India is not on the delinquent list drawn up by the EKN.

Overall Arms Exports Increasing

Stockholm DAGENS NYHETER in Swedish 3 Apr 86 p 10

[Text] Arms exports from Sweden are continuing to climb. According to recent figures from the Central Bureau of Statistics (SCB), Swedish arms exports rose by 5 percent last year.

The biggest purchaser of Swedish arms is Singapore. Sweden sold 335 million kronor worth of arms to Singapore last year.

Bangladesh is another big purchaser. It bought 47 million kronor worth of 55mm antiaircraft guns for patrol boats.

In all, Swedish arms exports last year were worth nearly 2.2 billion kronor. By way of comparison, the Bofors order from India is estimated to be worth 8 billion.

Subcontractor Announced

Stockholm DAGENS NYHETER 11 Apr 86 p 10

[Text] Karlskrona (TT)--Uddcomb in Karlskrona will receive 90 million kronor for supplying the undercarriage of the artillery pieces being bought by India from Bofors. This order means that Uddcomb will hire between 20 and 25 new people. In addition, several subcontractors will manufacture certain components. Deliveries are to be made over a 3-year period beginning in 1987.

11798
CSO: 3650/173

16 May 1986

ECONOMIC

DENMARK

GOVERNMENT SEEN LEFT WITH FEW MEASURES TO AID ECONOMY

Copenhagen BERLINGSKE TIDENDE in Danish 29 Mar 86 p 10

[Editorial: "Instruments"]

[Text] The parties of the Folketing can now each take a quiet moment at Easter to consider the political situation. The group of four and the Radicals can do this with the satisfaction of knowing that a strong effort toward improving the balance of payments has "taken its place," as the prime minister expresses it.

But the government -- and the Social Democrats as well -- will of course want to think a little farther ahead. For it is clear now that the government is well on the way to having used up its arsenal of instruments for economic tightening if this should prove to be necessary again. Income policy, for example, can hardly stand further tightening, even if its steadiness is a fundamental necessity. The stable krone must not be monkeyed with, either. And the liberalization that has taken place in the Danish capital market, which caused the undisguised rage of the Social Democrats, also has narrow limits for a national Danish interest policy. Add to this that there does not seem to be much support for further dramatic savings in public expenditures. This latter can at any rate not count on support from the Radicals.

Finally, the Easter package has stressed that tax pressure has reached the point that no politician would wish to cross with good will. Tax reform creates in itself obligations, and the few unused reserves in consumption taxation one prefers to leave alone. All in all there are almost no more measures left for the government -- Nonsocialist or Social Democratic -- that can be used for new belt tightening. And this can obviously be something for a finance minister to consider.

In compensation, however, the four party government is in the happy situation of having assured itself a drastic improvement of the national finances. And in this way the government has created some quite different instruments that can, with the political stocktaking, worry the Social Democrats much more than the balance of payments.

The strongly improved national budget provides the government -- within certain limits -- with the means to do well. The fine beginning was made with

the elimination of the waiting time for benefits, which was a blow to the Social Democratic opposition policy. The next blow may already be in the making. By now the Social Democrats have only one main plan for the improvement of the balance of payments, namely an offensive industrial policy with support from research and development money. It is almost certain that the ministers of industry and education will sometime next fall snatch this idea, which they agree with, and make their own suggestion, which will take the wind out of the Social Democratic sails. Who knows, perhaps the government will want to regard with practical favor some of the demands of the public employees.

As far as political status is concerned, each of the parties has its problems. The government has used up its economic instruments, but has received instead new political instruments. Perhaps for this reason the problems of the Social Democrats are greater.

9124

CSO: 3613/102

ECONOMIC

DENMARK

TRADE DEFICIT EXPECTED TO DECLINE IN 1986

Copenhagen BERLINGSKE TIDENDE in Danish 17 Apr 86 Sect III p 15

[Article by Frank Dahlgaard: "Unemployment will Soon Rise Again"]

[Text] At the same time there is the prospect that there will be a marked decline in deficit in the balance of payments.

Unfortunately it is probable that unemployment this year will begin to rise after two years of uninterrupted fall. On the other hand there is a strong possibility of a marked reduction in the balance of trade abroad.

Most "prognoses" are actually just extensions of the immediate developmental tendencies. If one, for example, predicts that the weather tomorrow will be the same as today, one is right in most cases. The same applies to economic predictions. The well paid chief economists of banks and businesses prefer to be right as often as possible. Therefore they guess that the present problems with the balance of payments will continue in the coming year -- and that unemployment will stay down at its present level. Such a method of prediction is naturally not worth much.

For meteorologists, the point is to predict changes in the weather. For economists, the corresponding task is to predict when new tendencies in development will take place.

It is highly probable that 1986 is a year in which a change in economic development will take place -- a change that contains both something good and something bad.

First the good: The deficit in the trade balance can be expected to be markedly reduced during the present year. The latest trade figures certainly indicate a record high monetary deficit in the first quarter of this year, but it will in all probability definitely change in the following quarters. There are many good reasons for this.

Why the Deficit Will Fall

1. The price of oil has fallen dramatically in recent months. Most of the other commodity prices have followed. This means cheaper imported goods.
2. The dollar exchange rate has fallen greatly since fall. This also means cheaper imported commodities, and this means at the same time an easing of Denmark's burden of interest and repayment. A large part of our foreign debt is dollar debt.
3. Economic growth in Western Europe is on the way up, among other things, as a result of the lower oil prices. This means better opportunities for export abroad.
4. The furious investment boom in the economy of recent years will certainly level out in the course of 1986. This means a marked slowing down of imports of machines and equipment for the economy.
5. The economic measures here at home (Christmas and Easter packages) will limit the growth of consumption and therefore also limit the growth in the import of consumer goods.
6. The loans consumers have taken out in recent years are now beginning to hurt in the form of interest and repayments on the new car, the white goods, furniture, house additions, etc. This will also limit consumption possibilities in the coming years.
7. Unemployment will stop falling. This, too, will naturally work toward slowing the growth of consumption.

OECD's Fatal Misses

It cannot be denied that the trade deficit this year will be about 20 billion kroner, but the main part of this deficit will come in the first two quarters. In 1987 it is definitely not improbable that the deficit will go down under ten billion kroner, and with a little luck there can actually almost be a balance between monetary intake and expenditure in 1988, something the government is striving for.

This prediction is contrary to almost all prognoses at present -- even the latest one from OECD in Paris. There is therefore reason to recall OECD's earlier fatal misses.

In July 1980 the OECD economists predicted a monetary deficit both in 1980 and 1981 of 18-20 billion kroner. The deficits were actually 13.4 and 12.3 billion kroner respectively.

In December 1983 the OECD economists predicted a Danish monetary deficit for 1984 of only 4-5 billion kroner. The 1984 deficit actually reached 17.7 billion kroner. That is, four times larger than OECD predicted!

All indications are that OECD in both cases used the poor method of predicting described above of simply extending the momentary tendencies in the balance of payments.

And this can easily go wrong.

Unemployment

The chart shows the development in registered unemployment since the beginning of 1980.

The thin, stair-shaped curve shows the development month by month in the actual number of unemployed persons. As can be seen, there is clearly a seasonal model in unemployment that is highest in the winter months and lowest in the summer. In order to get a more accurate picture of the development in unemployment, Denmark's Statistical Bureau therefore calculates a seasonally corrected unemployment figure. The development in this seasonally corrected figure is given in the thick line.

As can be seen, the seasonally corrected unemployment peaked in the spring of 1983 -- six months after the entry of the four-party government. Between 1984 and 1985 unemployment fell happily and markedly from a good 280,000 registered unemployed down to 215,000 in February 1986.

With this, Denmark stands today with the lowest unemployment in the last five years.

Again there is reason to recall what the professional predictors said about unemployment a few years ago: in October 1982 the "wise men" predicted that unemployment would grow to 334,000 unemployed on the average in 1984. In fact 1984 unemployment was 276,000.

The OECD economists also predicted at that time a dramatic rise in Danish unemployment. Again one must suspect that the prognosticators simply extended the momentary tendency in unemployment when they had to predict the future.

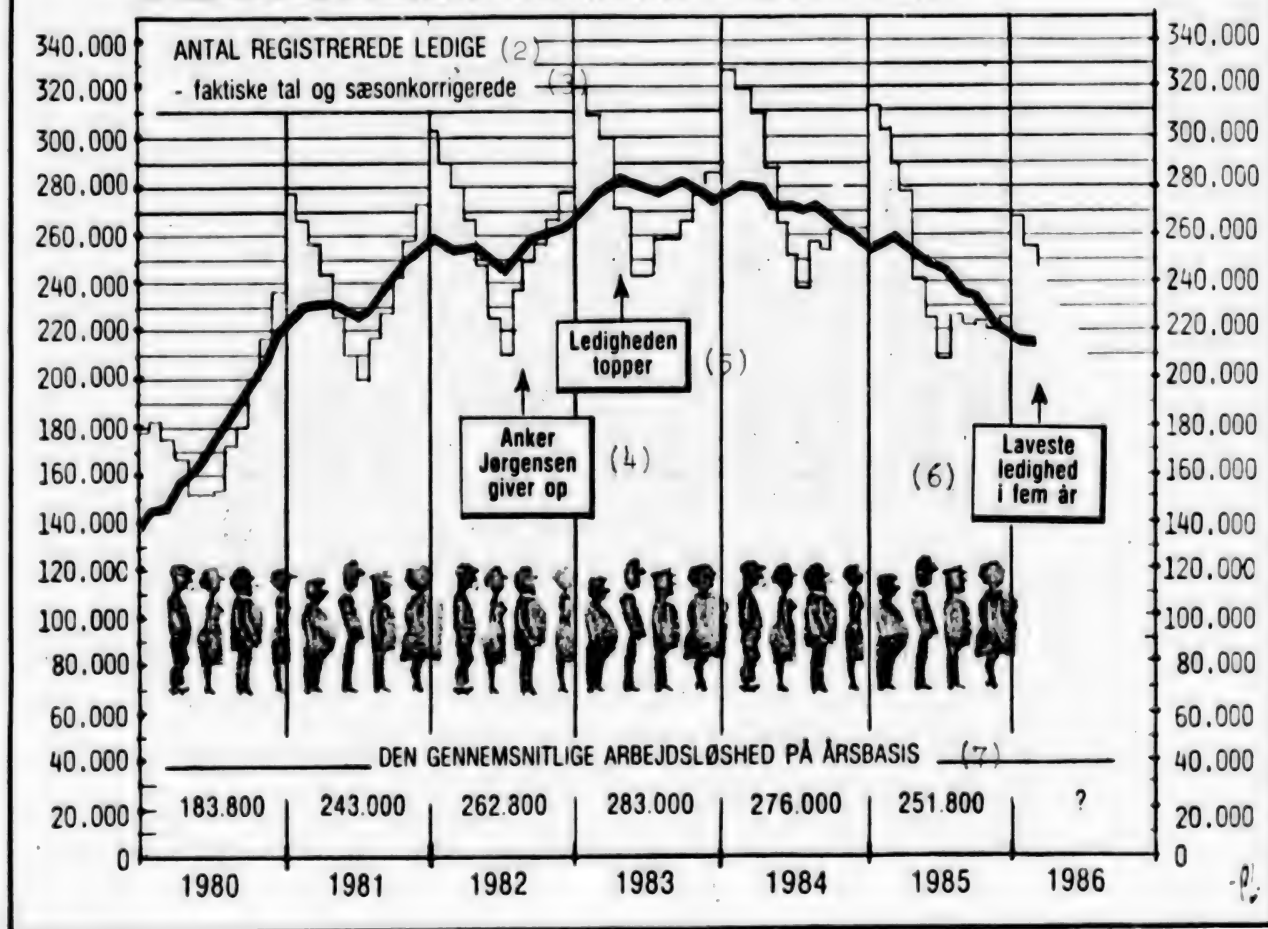
The happy fall in unemployment in recent years could, according to the old method of prognosis, tempt one to predict a further fall in unemployment in the coming years.

Unfortunately there are many indications that it will be different.

Productivity

The fact that unemployment has fallen and there has been a very strong increase in employment in recent years is connected with the development in productivity.

ARBEJDSLØSHEDENS UDVIKLING I 1980 ERNE (1)



Key:

1. Unemployment development in the 1980s
2. Number of registered unemployed
3. Actual and seasonally corrected numbers
4. Anker Jørgensen gives up
5. Unemployment peaks
6. Lowest unemployment in five years
7. Average unemployment on a yearly basis

Production per man per work hour has not really risen as much as the economists expected in an upswing in the economy. This has meant that in order to create a given growth in production, it has been necessary to employ more people, and this has made an extraordinary cut in unemployment.

It is still a mystery why productivity has slacked off during the strong upswing of recent years. In such a situation, productivity tends to rise.

With the investment in recent years in new equipment there is hardly a doubt that there will soon be a clear growth in production per man per work hour. With this, the need for new workers will decline.

The expected decline in the growth of investments will naturally also in itself reduce the need for more workers, as will the predictable weaker growth in consumption in the future.

All in all there is unfortunately reason to believe that unemployment will not decline farther than the last registered 215,000 unemployed. With the continued influx in the labor market it is on the contrary not improbable that unemployment will begin to rise again this year.

Most of the official pronogses also say that the drop in unemployment is over. In this they are unfortunately probably right.

For once.

9124

CSO: 3613/102

ECONOMIC

DENMARK

LABOR MINISTER SEES IMPROVEMENT IN YOUTH EMPLOYMENT RATE

Copenhagen BERLINGSKE TIDENDE in Danish 3 Apr 86 p 9

[Article by Ole Dall: "No Unemployed Youth in 1988"]

[Text] Labor Minister Henning Dyremose (Conservative) and Education Minister Bertel Haarder (Radical Liberal) were happy yesterday when they reported to the labor market committee on the status of youth unemployment.

After the meeting, Dyremose ventured to name a year as the goal for the elimination of unemployment among 16-24 year olds. The labor minister said to BERLINGSKE TIDENDE:

"There will probably always be a small remainder of young people who are not employed. They can be young people who take a year off, who are chronically sick, who travel abroad, etc. But if one ignores this remainder of about five percent of the age group, then I believe and hope that we in 1988 will no longer have a problem with youth unemployment."

Henning Dyremose thinks that the decline in youth unemployment has come because young people "are now more optimistic."

"They believe that it pays to get an education," he said. The labor minister said that there "are always too many youths unemployed," and that both the general economic policy and various special arrangements will continue and be strengthened.

Both ministers stressed that the so-called remainder of youths without jobs and education has steadily dwindled.

"This year there are 1,370 more applications than last year to trade schools, an increase of several hundred to high school, and an increase in the number of apprentice positions. This is happening at the same time that the size of youth age groups is falling. I conclude that the remainder group is declining. Young people have received the message that there is a place for them. This year, for example, we are accepting all EEC students in iron, metal, construction, trade, and office work," Haarder said.

9124
CSO: 3613/102

16 May 1986

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

INVENTORS FIND DOMESTIC MARKET CLOSED TO NEW IDEAS

Duesseldorf WIRTSCHAFTSWOCHE in German 4 Apr 86 pp 170-173

[Article: "Ever New Hurdles"]

[Excerpt] Inventors do not have it easy in Germany. Too often, bureaucratic obstacles by enterprises and government offices inimical to innovations stand in the way of rapid marketing of good ideas.

Matthias Heister, chairman of the German Society for the Promotion of Education, Invention and Innovation (Dabei e.V.), and deputy secretary general of the Federal and State Commission for educational planning and promotion of research, says: "Most inventors are treated condescendingly; many feel abandoned, some feel tricked, and not a few even feel swindled. Once the teachers of technology, today they are considered rather the crackpots of the nation and live at the edge of society." In his opinion, "inventors today do not have a real chance in the FRG."

Hermann Metz, consultant on inventions and Duesseldorf section chief of the German Association of Inventors, pronounces an even harsher judgment: "Germany is distinctly inimical to inventions. As a result, ideas are increasingly sold to foreign countries.." Metz has in mind independent inventors in particular, but also thinks of the innovative forces at technical institutes and in medium-sized enterprises.

Indeed, frequently it is even difficult for inventors of the university research hierarchy to utilize their ideas. The tunable gas laser with greatly improved beam quality, developed by graduate engineer and physicist Karl-Heinz Krahn of the Bochum Ruhr-University, was awarded the Philip Morris research prize and DM 30,000. But there were no further responses. Krahn, therefore, is now offering his laser primarily in the United States and Japan. But the Lambda Physik Forschungs- und Entwicklungsgesellschaft mbH in Goettingen "had tested" the Krahn invention "years ago, and built a model," but "because of excessively high production costs" refrained from using it. At least, this is the claim of its managing shareholder, Dirk Basting.

However that may be: evidently, innovations are not as urgently sought by German industry as is often claimed. And yet, says scientist and technol-

ogist Bernhard Philberth, blessed with 80 patents, large industry dominates vis-a-vis independent inventors only in the so-called improvement inventions, where industry laboratories with the latest equipment have an advantage, but not in basic inventions. "Yet many firms refuse inventions from outside," complains invention consultant Metz. "Quite often, enterprises turn them down at first and then wait until the inventor is financially out of breath. As soon as he does not renew the patent, they then pick up the idea or the product."

On the other hand, Metz is also familiar with the argument that a great number of eccentric inventions tend to produce bizarre, non-saleable ideas. For this reason, goes the argument, the economic loss in this sector is probably overestimated. The invention consultant does not deny that some bizarre ideas occur, but then he presents a remarkable counter argument: "If of the 600,000 potential inventors in the FRG even only 5 percent produce market-relevant ideas (that is a cautious calculation), then our national economy at present still gives up 30,000 innovations."

In this, Metz refers only to "tinkerers" who "don't even go to the patent office because they shy away from the expenditure and costs, and are also afraid that their ideas might be copied."

Conversely, the chances of successful utilization of patents granted by the authorities--15,000 to 20,000 annually out of some 45,000 new registrations--are not exactly rosy. Eberhard Kuebel, manager of the information and consultation sector of VDI-Dienstleistungsservice GmbH, estimates that, depending on the field, only between 1 and 10 percent of patented inventions are realized, i.e., reach the market.

But some first tendencies toward a trend shift in industry are becoming evident. For the last 2 years at Siemens, for example, 60 employees have formed an official department for innovation and research and development transfer. Among other things, all offers by inventors are checked into this section if they cannot be assigned clearly and immediately to a definite area. Department chief Max Guntersdorfer admits: "It is true that in former years one was less receptive to external inventors, but since the almost frenetic hunt for hi-tech started, a counter-movement can be noticed." The fields of electrotechnology and biotechnology in particular are systematically combed through in Munich. Development contracts are also placed outside. In addition, inventors with the company are given the opportunity to become independent, with the corporation's assistance. Guntersdorfer comes to the conclusion: "With regard to the systematic search for innovations and their application, we are surely very much out front in Europe."

Actually, most inventors personally take charge of marketing, although they do not develop professional advertising strategies, as a rule. For example, 8 months ago, Karl-Heinz Krahn wrote to all German companies in any way connected with laser technology. The fact that he had only negative responses, if any at all, seems to fit the picture.

"Although we keep getting complaints from inventors, this does not indicate a trend," says Martin Vogel of the German Patent Office, drawing a somewhat more optimistic picture. The Munich officials probably show reserve because they have nothing to do with the utilization of patents, although they grant the coveted patents--20,584 of them in 1985, out of some 46,000 new registrations.

But the granting of patents is evidently a greatly treasured bureaucratic process. According to Vogel, "due to complicated administrative procedures, almost always at least 20 months" pass between receipt of an application and the granting of a patent, but it usually takes about 3 years. Matthias Heister of the Dabel society complains that the entire procedure "can only be managed with the help of a patent attorney."

9917

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ECONOMIC

GREECE

ECONOMIC REASONS SEEN BEHIND RAPPROCHEMENT WITH U.S.

Athens MESIMVRINI in Greek 29 Mar 86 p 15

[Article by K. Kolmer: "They Said 'Yes' to Schultz in Order to Get a Mammoth Loan"]

[Excerpts] According to well-informed sources abroad, during the recent visit of George Schultz in Athens, the American secretary of state told Greek Premier Andreas Papandreou that any greater economic assistance to the withering Greek economy is tied to the improvement of Greek-American relations.

This report coincides with another one from London where representatives of the Bank of Greece are negotiating a large loan in foreign exchange for bringing into equilibrium the balance of payments which recently shows a disquieting deficiency.

The two events--Greece's recourse to the international capital market and "re-examination of the whole spectrum of Greek-American relations"--are, at first sight, unrelated. The Bank of Greece had, more than a month ago, scheduled its resorting to the Euro capital markets for 500 million dollars. At the end of February it received the other loan of 800 million dollars with EEC's guarantee (ed. note: it concerns the first installment of 1.75 billion [sic] dollars for which EEC manifested its solidarity toward the Greek economy which is suffering from the "gloomy path" of socialism).

The Schultz visit, on the other hand, falls within the framework of the "step by step" improvement of Greek-American relations which began at about the end of last summer with cooperation of the two countries in the area of anti-terrorism and industrial engineering and technical cooperation between them in implementation of the 1983 agreement for the bases (DECA) and the premier's son G. A. Papandreou's visit to Washington where is "prayed with" Regan (at the prayer meeting).

It is unnecessary to point out that Papandreou's anti-Americanism has "dramatically" diminished recently (as the Greeks who misuse the language

would say). And it diminished to such a point as to be also adopted by the professional anti-American Greek TV which is controlled by the government.

The Parallel Course

Thus, one ascertains the parallel course of the Bank of Greece toward the Western capital markets and of the Greek government toward the Western metropolitan decision centers, as Papandreou would say until sometime ago. The phenomenon is not incidental. The breakdown of the Greek economy and the danger of Greece becoming isolated within the Western camp--isolation which would force it to seek protection somewhere else (but not so secure a protection)--brought down to earth the managers of power in Greece and changed them from "day dreamers" to realists, for the sake, of course, of holding on to power...

There is, therefore, a common place which the two parallel lines of foreign and economic policy move. And this common geometrical locus has its peculiarities.

While it is known that the consent of the international banks in granting a "jumbo" loan to Greece will be based exclusively on banking criteria, on the improvement, that is, of the trends of the Greek economy and on continuation of the stabilization measures which started after 11 October, the improvement of Greek-American relations is considered necessary but not a strong condition for ensuring "breath margins" for the Papandreou government in the economic sector.

Where Hardening Would Lead

In other words, if the Western international economic circles discovered any hardening of Greek-American differences and, possibly, a Greek intention of getting detached from the Western Alliance, the key being the removal of the bases after 1988, it is almost certain that these circles would cut all credit to the Papandreou government as of 1986.

The Greek probing of the international banks in London last week met with some success. The request amount of 500 million was reduced to 350 million dollars, while the conditions for the loan worsened somewhere between 5/8 and 3/4 above the London prime rate.

7520

CSO: 3521/120

ECONOMIC

GREECE

EEC 1986-1990 FINANCING REQUEST SUBMITTED

Athens I KATHIMERINI in Greek 4 Apr 85 p 9

[Text] The regional development program for the 1986-1990 period was submitted to EEC according to National Economy Deputy Minister Pan. Roumeliotis who also made clear that the realization of this program will cost about one trillion drachmas (in 1985 prices).

The anticipated EEC participation--mainly through the Regional Development Fund and the Mediterranean Comprehensive Program--is expected to surpass 435 billion drachmas (in 1985 prices). The program's submission is one of the standard obligations all state/members have toward the Community.

More specifically, Roumeliotis said that the program represents a framework of developmental activities and regional priorities with the possibility of its adjustment to the priorities of our regional policy and our economy's development on an annual basis.

The program took into consideration the development of our National Five-Year Plan as well as the recent economic policy measures so that its financing framework can be adjusted to the new predictions and assessments of the present economic policy. Roumeliotis pointed out that for the preparation of the program the National Economy Ministry followed the standard procedure of getting the views of all concerned government agencies in Athens and in the regions, and that consideration was given to the experience gained from the implementation of the 1981-85 regional program as well as to the recent developments and prospects in the Greek and international economy.

Roumeliotis added that on the basis of certain alternate preconditions the unemployment percentage will be kept at the same, if not at a lower, level.

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CSO: 3521/122

ENERGY

AUSTRIA

NATURAL GAS DEPOSIT FOUND IN WIENERWALD

Vienna DIE PRESSE in German 29,30,31 Mar 86 p 13

[Unattributed article: "A Natural Gas El Dorado in the Vienna Woods--1.2 Billion for Domestically Produced Energy"]

[Text] Vienna--As early as the middle of next year, Hoeflein near Klosterneuburg in the Vienna Woods will be the "little Dallas" of Austrian natural gas production: drilling by the Austrian Oil Administration (OeMV) in an area where the presence of this energy source had never before been suspected, turned out to be highly productive. For at least 30 years 150 million cubic meters of crude gas will be drawn from the "gas wells" annually, transported through a 21 km pipeline across the Danube to the Aderklaa OeMV Station and there refined into high-grade natural gas. The state's prospectors will invest a total of 1.2 billion schillings into this project.

The gas deposits were discovered in 1982. Until now 13 wells have been sunk; a 14th drilling operation is being considered in the Sankt Andrae area. The natural gas was found at a depth of about 3000 meters, with the drill bits having to conquer difficult rock formations. The fact that in that kind of terrain production can start within only 4 years is, in the opinion of OeMV board member Richard Tlustos, in charge of production, an achievement meriting international attention.

Despite the great volume of imports, the Hoeflein gas find is of considerable interest for Austria. It amounts to one-fourth of the OeMV's current domestic production. This total quantity in turn amounts to one-sixth of the imported Russian gas, explains Tlustos. Possible production rates of individual wells in the Vienna Woods amount to between 25,000 and 100,000 cubic meters per day.

Drilling costs amount to about 600 million schillings. Another 600 million schillings are budgeted for the pipeline, for whose Danube crossing a high-pressure conduit has already been installed; for the metering station near Korneuburg and the processing plant in Aderklaa, which is slated to process 500,000 cubic meters per day.

The processed gas will be ducted into the commercial network; the light condensate will be transported to the refinery through a 19 km pipeline; the heavy condensate will be admixed to the crude oil of the Aderklaa oilfield.

The current drop in energy prices causes grave worries to the OeMV as concerns the economic viability of the Hoeflein gas find, inasmuch as additional exploration would be of interest in the "largest potential source in Central Europe." Gas is being prospected throughout the entire chain of limestone Alps at depths down to 7000 meters, from Vorarlberg through Southern Germany all the way to Upper Austria. The success achieved in Hoeflein serves as a trendsetter for this.

9273/13045
CSO: 3620/656

ENERGY

AUSTRIA

NATURAL GAS TO BE IMPORTED FROM NORTH SEA

Vienna DIE PRESSE in German 29, 30, 31 Mar 86 p 9

[Article by Margarete Freisinger: "Austria Plans to Import Gas from the North Sea"]

[Text] Vienna--Austria's supply of imported natural gas, which is at the present time dependent entirely upon the USSR, is said to plan having a backup starting in the 1990s: the state-owned Austrian Oil Administration Corporation (OeMV AG) and the Austria Remote Gas Company (AFG) have for some time been negotiating with Norway about supplying gas from the North Sea. Quantities under discussion amount to about one billion cubic meters annually.

Last year the consumption of natural gas rose by 7.3 percent, to 4.8 billion cubic meters. Of this quantity, barely, 1.2 billion cubic meters were produced domestically. Imports, predominantly from the USSR, amounted to 4.2 billion cubic meters. Efforts have been under way since the 1970s to reduce the import dependence upon the USSR. At that time, the AFG, acting as an umbrella negotiator of the provincial gas companies, engaged in talks on the import of Algerian natural gas. However, this project came to naught due to high cost.

With the discovery of the largest Norwegian Natural gas deposit in the Troll field near the North Sea coast north of Bergen, there is now a possibility of spreading imports around more widely. Secure reserves at a depth of 300 to 340 meters are said to be 1.2 trillion cubic meters. Production is planned to start during the first half of the 1990s.

The natural gas is to be transported through an existing underwater pipeline system to Emden on the North German coast and from there into the West European community system.

At this time the economic aspects of this project are being scrutinized by a sellers' consortium and several potential Western European buyers, among them the OeMV AG and the AFG. Whether an agreement will be reached will depend primarily on the price situation. The spot price of Norwegian oil delivered to the Austrian border would be higher than that of Soviet oil.

9273/13045
CSO: 3620/656

OIL CRISIS CAUSES DROP IN ENERGY PRICES

Vienna DIE PRESSE in German 29,30,31 Mar 86 p 9

[Article by Barbara Sobotka: "Oil Crisis Depresses Energy Prices--Natural Gas and Coal Are Getting Cheaper"]

[Text] Vienna--The drop in crude oil prices affects the other energy sources also, since the cost of coal and natural gas imports are generally oriented toward oil. While during the last few months a drop in gas prices occurred in almost all Austrian provinces, they were primarily caused by the drop in the value of the dollar. The price drop caused by the cheaper oil is therefore still impending. Remote-supplied heating costs also show a tendency toward a downturn. The major users will probably react very slowly to the changed situation on the energy market, since most industrial firms have not yet amortized their new facilities.

"The shortening of the accounting period for natural gas import prices from six to three months is working to our advantage," says the energy expert of the Ministry of Trade, Volker Kier. Price negotiations with the USSR are to begin again shortly. Natural gas indexing occurs in accordance with a "price cocktail" of heavy heating oil, domestic heating oil and crude oil. The situation is similar for bituminous coal.

The energy expert of the Economic Research Institute (WIFO), Karl Musil, this year expects a "diminishing drop in natural gas import prices and an even more greatly diminished drop for coal."

Energy prices for the end users have of course increased exorbitantly during the past few years; since the beginning of this year they show a downward trend, some of them for the first time (see Table 1). In Vienna for instance, a study by the Consumer Information Association showed that the average price of one cubic meter of natural gas had dropped from 1 January through February from 7.23 to 6.91 schillings. Propane and liquid gas was reduced from 10.40 to 9.92 schillings per kilo and remote-supplied heat from 773.66 to 734.40 schillings per megawatt hour. In Upper Austria average gas prices also dropped after February by 5 to 15 percent. According to the Labor Chamber, remote-supplied heat is to drop in price shortly also. In Salzburg, gas prices have been reduced by 5 percent since 1 February, those for remote-supplied heat by 2 percent. The price for city gas has been reduced in Innsbruck.

To the users, the price reductions which have occurred so far, are still too small. In Vorarlberg and the communities surrounding Vienna they threaten cancellation of gas contracts. Heating oil inventories are being reduced.

"The prices increase in a hurry, but they drop very slowly. This is true not only for gasoline, but also for other types of energy," says Erich Hofbauer, executive officer of the Austrian Energy Consumers' Association (OeKV). He does not believe that the price of gas will "be reduced once again before the fall, since the index does not orient itself toward the low crude oil spot market, but toward the much higher list price." The anticipated slow adaptation is justified by the Ministry of Trade with the fact that the price increases of past years were not passed on in full for the Russian gas either.

The members of the association will not be able to enjoy lower prices for coal until the fall. That will be the time when a 20 percent drop in price for Polish bituminous coal for Duernrohr will go into effect. However, none of the energy experts sees fit to make a prediction on whether or not the plants will burn more oil. Some of them are said to be sorry already to have replaced the old heavy heating oil furnaces with the expensive vortex charge furnaces.

Data collected by the OeKV, the Federal Chamber and the Industrialists' Association indicate that the price of heavy heating oil amounts to 2600 schillings per metric ton at present, i.e., about the same as in 1980. However, the total consumption of heavy heating oil has greatly declined during the last few years. In 1976, it amounted to 3.4 million metric tons, according to the OeMV, for all of Austria; by 1980 it had dropped to 3.2 and by 1985 to 1.4 million metric tons.

Table 1: Energy Price Increases According to the Consumer Price Index

Energiepreissteigerungen nach dem Verbraucherpreisindex

	1975	1980	1984	1985	Jan. 1986	Feb. 1986
Heizöl (1)	85.02	160.8	230.0	236.2	217.6	206.0
Strom (2)	91.5	123.9	161.6	165.4	168.6	168.6
Gas (3)	92.4	120.8	188.5	196.1	194.3	193.2
Briketts (4)	97.5	130.9	187.4	198.8	211.4	212.3
Koks (5)	96.0	129.5	158.5	177.6	189.0	190.2

Indexbasis 1976

Quelle: WIFO (6)

Key:

1. Heating Oil
2. Electricity
3. Gas
4. Briquettes
5. Coke
6. Source: Economic Research Institute (WIFO)

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ENERGY

NETHERLANDS

ELECTRICITY PRICES SAID NOW TO BE AMONG EUROPE'S LOWEST

Rotterdam NRC HANDELSBLAD in Dutch 18 Apr 86 p 11

[Article by Joop Meijnen: "Director Wiechers of the Exploiters: Industry Is Gaining a Favorable Position: Dutch Electricity Cheapest in Europe"]

[Text] Arnhem, 18 Apr--Dutch electricity prices are now among the lowest in Europe. In the wake of the plummet in the dollar and in oil prices, they have in a short period of time dropped to a level that no one thought possible. This is true only not for the rates calculated for small consumers (households): industry as well is currently for the most part paying less than the competition in surrounding countries.

Naturally, Eng W. K. Wiechers, director of the Association of Exploiters of the Electricity Industry in the Netherlands (VEEN), is pleased with this development. With the decrease in price for the second quarter announced by VEEN yesterday, which could amount to about 2.2 cents per kilowatt hour (including VAT), he thinks that Dutch industry is entering into "a very favorable position with respect to foreign competition." But he quickly adds that no far-reaching conclusions can be drawn. This because, according to him, the pace at which energy prices are currently falling could turn around in the other direction. "It remains a precarious matter. The enormous fluctuations which our electricity prices have experienced in recent years under the influence of the dollar and of oil show just how vulnerable our electricity supply is in this respect," Wiechers said.

The director of VEEN refers to the fuel mix with which electricity is generated in power plants. On the average throughout the entire country, 60 percent of these are composed of natural gas, 30 percent are coal and the rest are oil, uranium and alternative sources (wind energy and hydroelectric power). Because the price of natural gas is coupled with that of fuel oil, electricity prices in our country are plunging much more sharply than in the FRG (where relatively much more hard coal and lignite is burned in power plants) or in Belgium and France (where there are more nuclear power plants in operation).

"For a long time, this coupling was very detrimental. Now, because of chance circumstances, the effect is suddenly favorable. So much the better, but this does not alleviate the structural vulnerability," Wiechers said. In his

opinion, cheaper oil consequently does not constitute an excuse for dropping the pursuit of further diversification in the fuel mix. "An expansion of the percentage of more stable fuels such as coal and uranium remains a top priority. Otherwise, our electricity prices will continue to be at the mercy of international developments over which we have absolutely no control. Even at the current level in the price of oil, nuclear energy is still fairly competitive."

Giant Arrangement

The large share of natural gas in Dutch electricity generation is in part a result of government policy. Under pressure from The Hague, the electricity industry agreed at the beginning of the 1980s to further application of natural gas, intended to boost the treasury. In exchange for this, a special discount was stipulated for the extremely large electricity users (approximately 120 so-called giants) so that they could stand up to international competition. This restitution arrangement (also called the giant arrangement) expires at the end of next year, and the question is what should happen then.

Wiechers: "Six months ago, I would have responded that an extension of the giant arrangement is urgently needed until the fuel mix is more balanced in composition, thus until new nuclear power plants have been put into operation. Now the necessity of this is less obvious. With the current relationship of fuel prices, such an extension is not necessary. But who can guarantee that things won't be different in another 6 months?" This, Wiechers said, is why VEEN is advocating a safety net arrangement for the years after 1987, whereby the giants receive compensation if the price of electricity goes above a certain level. One condition is that the EEC may consider such a formula to be unfair to competition and forbid it.

In recent years, electricity production with hard coal has been considerably cheaper than with natural gas or oil. Because fuel use diverges sharply from power plant to power plant, this has meant significant regional differences in rates. In the east and in the south (where electricity is primarily generated using coal), one kilowatt hour cost 5 to 10 cents less than in the rest of the country (where natural gas is mostly used in power plants). Through the drop in electricity prices, this picture has undergone drastic changes in the past 9 months. Because the drop in prices is a direct result of cheaper oil (whereby natural gas as well becomes cheaper indirectly), the benefits are greater in gas-burning areas, while the differences in rates in the east and the south have become smaller.

"Pooling"

Because of the dollar, coal has also become somewhat cheaper, but not nearly as much as oil (and thus gas). According to Wiechers, this levelling has an "extremely nice side effect" in that the introduction of the controversial system of "pooling" production costs among the large electrical power plants (effective in December of this year) is made a little easier. "Pooling" should result in more uniform rates throughout the country, so that favorable and unfavorable developments in fuel prices do not effect only the region

where they happen to be in use, but are instead spread out among all consumers. However, because of the drop in the price of oil, there is less to "pool." In the middle of last year, fuel costs for coal-burning power plants were on the average six cents per kilowatt hour less than those of gas-burning plants. Now these costs are nearly equal. If the dollar and oil remain at their current levels, Wiechers expects the balance to tip over in favor of the gas burners in the coming quarter. Last year at this time, large consumers had to pay 50 cents for a cubic meter of natural gas. Now it is less than half that.

To the great surprise of VEEN, it appears from the latest figures that the growth in electricity consumption is stagnating. "There was no growth in the last quarter compared to the beginning of last year. This surprised us very much," Wiechers said. In the coming weeks, VEEN will subject electricity consumption, which is generally considered a reliable measure of industrial activity, to a detailed analysis. Wiechers was unwilling to speculate on possible findings.

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